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ABSTRACT

Achievements of the Department of Interior for 1981 in the areas of natural resources, parks, wildlife areas, water, Western lands, Indian reservations, and island territories are reported. Section 1 outlines increases in onshore and offshore oil and gas, coal, and geothermal leases on federal lands. Section 2 describes results in the change of policy from acquiring more land to preserving the nation's parks, wildernesses, and wildlife refuge systems. Section 3 reports the partnership between Western states and the federal government to avert a water crisis in the next decade. Accomplishments include 10 new Western water projects, operation of 2 giant wind turbines, and revitalization of the Bureau of Reclamation. Section 4 notes the improvement in the relationship between the government and Western states, a result, among others, of revenue sharing, honoring states' rightful claims to land granted when they entered the union, and transferring federal land to state and local government. Section 5 outlines ways in which the Department has helped Indian tribes and island territories achieve economic self-reliance and governmental self-determination. The final section describes achievements in management, regulatory reform, red tape reduction, and national control. Numerous charts and photographs are included. (KC)

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U.S. Department
of the Interior

1982

A Year of Progress: Preparing for the 21st Century

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United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Dear Mr. President:

This year, 1982, has been *"A Year of Progress: Preparing for the Twenty-First Century."*

The progress that has been realized in the Department of the Interior has been most satisfying. With the support of Congress and the Governors, we have implemented the significant changes needed to bring about common sense and balanced management of our natural resources to benefit all Americans now and in the future.

In 1981, we introduced change to the Department of the Interior. As you know, it was important to bring about significant change in the way our natural resources were being managed so that we could overcome the problems we inherited in January of that year. When you took office, we found there was too much air and water pollution, the national parks had been allowed to deteriorate, our wildlife refuges and ranges had been neglected, and our multiple-use lands had not been managed properly for the taxpayers and consumers of this generation and those yet to come. The change was brought about administratively and through new priorities in the budget process.

In 1981, we developed and announced policy changes. In 1982, we implemented those changes. The results have been most rewarding. I can tell you, without fear of contradiction from those who have studied the matter, that the federal estate and other natural resources—the national parks, the national refuges, the coastal barriers, the wetlands, the national forests and public lands—are better managed today than they were two years ago.

Because you and I are dedicated to the concepts of stewardship, we have committed ourselves to restoring the National Park System. If we do not protect the natural resource base within our Park System, there will be little for the public to enjoy. Consequently, our 5-year, one-billion-dollar program has been enunciated and is being carried out with the support of the park professionals as well as the support of Congress.

The national refuges, too, had been neglected because of an unwillingness to invest properly in the land and waters of those refuges and ranges providing habitat to our wildlife and fish. Those errors of the past are being corrected—restoration is underway.

We have adopted and aggressively pursued a program that will bring protection to our coastal barriers, and we have solicited the assistance of the private sector in dedicating wetlands for migratory bird habitats.

New programs for managing our public lands have been implemented. These initiatives allow us to enhance the values of national resources as well as to serve the interests of the taxpayers and consumers who can benefit from the recreation, agriculture, energy, mineral and related uses derived from the land.

An aggressive program is underway to provide Western States with the water resources that will be needed for the years ahead, thus reversing the Democrats' policies of the recent past. We have announced ten new water resource development projects and have continued a rapid pace of construction activities on projects already underway.

The theme of 1981 was *change;* the theme of 1982 has been *progress.* As you review the pages that follow, you will see that quantum steps have been taken to restore balance in the management of our natural resources. We have provided the stewardship that is needed to protect and conserve America's natural resource heritage. At the same time, we have laid the groundwork for building the infrastructure and the strength that will enhance America's national security, our quality of life and environment and create jobs in the private sector.

Mr. President, we can have both a clean environment and the development of our energy resources needed for a sound economy. It is not an "either-or" proposition.

As you read *"A Year of Progress: Preparing for the Twenty-First Century,"* you will be able to share with me the pride and satisfaction that I have in our accomplishments.

Sincerely,

Jim Watt

Secretary

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A Year of Progress: Preparing for Domestic Production of America's Energy and Mineral Needs in the 21st Century

In January 1981, we inherited the leadership of a Nation with the resources to master its own destiny, but a Nation which had suffered from a lack of leadership in the development and use of those resources. Our economic and national security were in jeopardy because of a failure to develop properly America's abundant natural resources:

- Only 4% of our entire Outer Continental Shelf had been made available for oil and gas exploration and only 2% had been leased;
- Less than 15% of the federal onshore lands were under lease for oil and gas development;
- No federal onshore oil and gas leases had been issued in Alaska for 15 years;
- No oil shale leases had been issued since 1974;
- Less than 1% of federal coal lands were under lease, and new leasing had been at a virtual standstill since 1971;
- No tar sands leases had been issued since 1965, and geothermal energy development was stifled;
- We were depending on imports for more than half of our Nation's total supplies of 20 strategic minerals; and,
- We were dependent upon foreign sources for 40% of our crude oil.

Yet, 85% of the crude oil still to be discovered in America is likely to come from public lands, 67% of that from offshore drilling. As well, 40% of the natural gas, 35% of the coal, 80% of the oil shale, nearly all of the tar sands, and substantial portions of uranium and geothermal energy will come from public lands. Our domestic resource wealth also includes untapped deposits of essential elements we now import, including chromium, platinum, and cobalt.

We had a crisis in leadership in managing America's resources for the benefit of Americans.

In our first two years, we have taken decisive action to change the way in which our public lands are managed—to bring common sense and balance to the stewardship of our natural resources.

We have made great progress in the orderly development of our energy and mineral resources, with proper environmental safeguards. Our goals continue to be a clean and improving environment and a sound economy.

To achieve those goals, we:

Offshore Oil and Gas

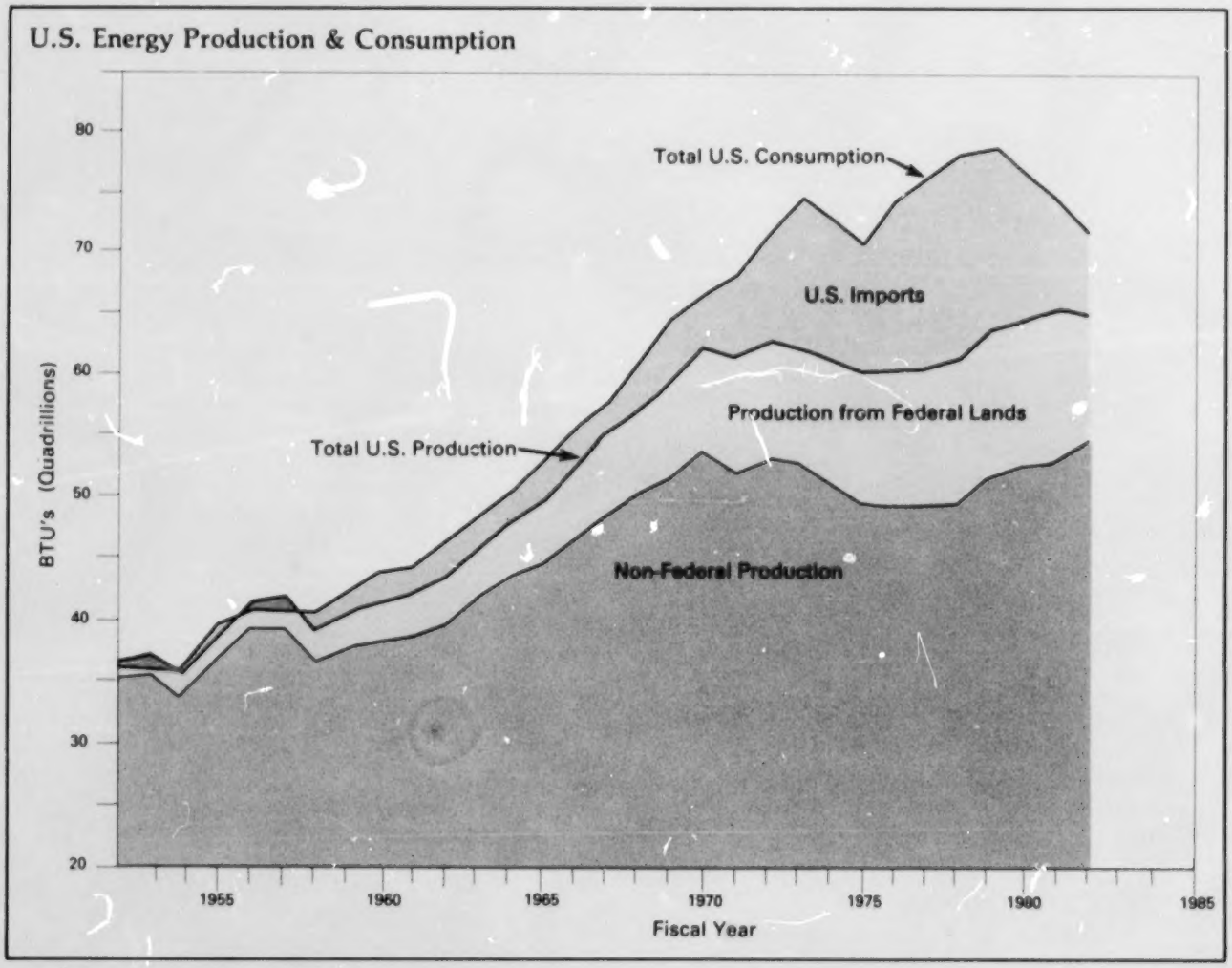
- Announced a new 5-Year Outer Continental Shelf oil and gas leasing program. The program calls for 41 sales through June 1987, with estimated revenues of $15 billion in fiscal year 1983 and a total of $90 billion over five years. The new program opens the entire OCS area—in comparison to the 4% made available over the last 30 years. Industry, rather than bureaucrats, will select the areas it wishes to lease. In addition, more acreage will be offered in each sale, and tracts will be reoffered at one-, two- and three-year intervals.
- In calendar year 1981, offered 7.68 million acres, leased 424 tracts on 2.23 million acres, and received total revenues of approximately $10.1 billion. We held five additional lease sales in 1982, which offered approximately 5.8 million acres, leased 357 tracts on 1.9 million acres, and received total revenues of approximately $7.46 billion.

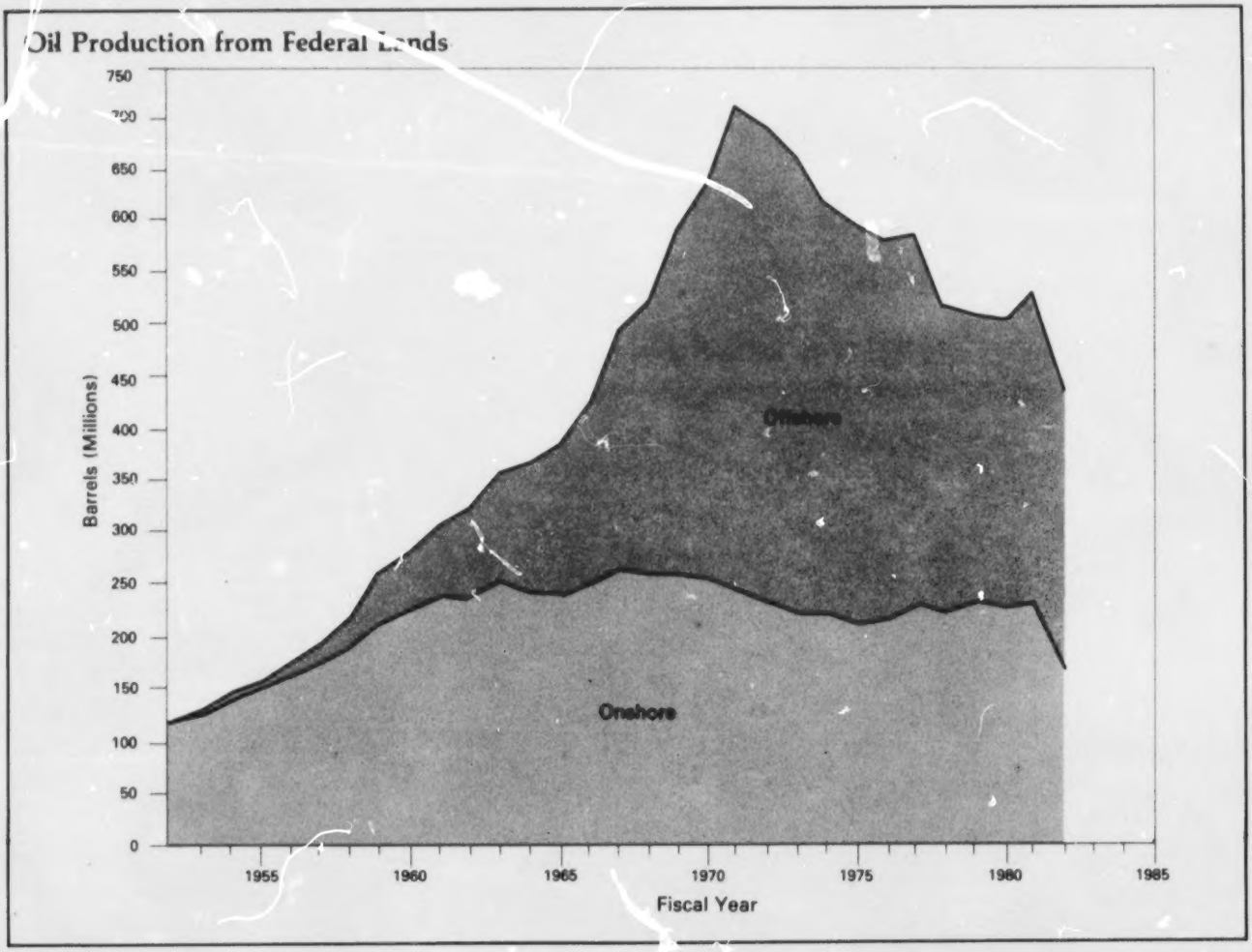
Onshore Oil and Gas

- In 1981, leased 150% more acres than were leased in 1980. In 1982, nearly doubled the number of acres leased in 1981. Thus, we leased as many acres in 1982 as were leased in the entire period of 1977-1980.
- Issued 30% more oil and gas drilling permits in 1981 and 1982 than were issued in 1979 and 1980—a total of 11,097 compared to 8,507.
- Issued onshore oil and gas leases on federal lands in Alaska for the first time in 15 years—259 leases covering 2.8 million acres. In 1981, we opened for geophysical exploration more than 100 million acres in Alaska that had been unavailable since

1966. The onshore leasing program has also been facilitated by execution in May 1982 of a comprehensive cooperative agreement with Alaska to ensure that the State is involved in the decision-making process.

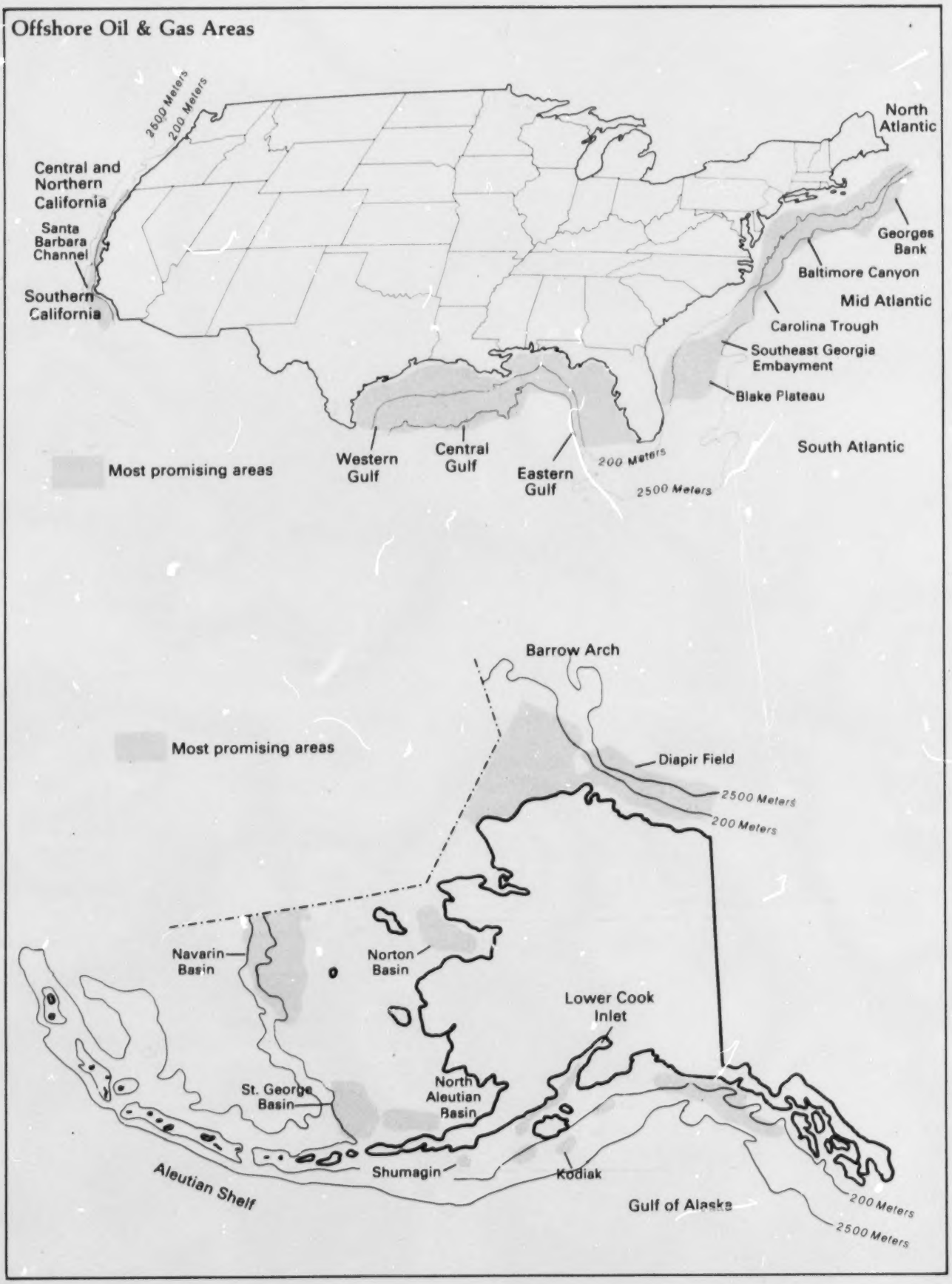
- Offered over 4.25 million acres in two sales in the National Petroleum Reserve in Alaska—the largest federal competitive oil and gas offerings in history.
- Completed the first total revision of the oil and gas operating regulations in over 40 years. The new rules update requirements, include more meaningful enforcement provisions, and are reorganized for easier use. The technical regulations governing the formation of and operations under unit agreements were also revised and published as final in 1982.
- Accelerated the oil and gas lease adjudication process by 15% over 1980 and by 75% for lease assignments for the same period. Streamlined procedures have reduced average lease issuance case processing time from 10–12 months to 60–90 days.



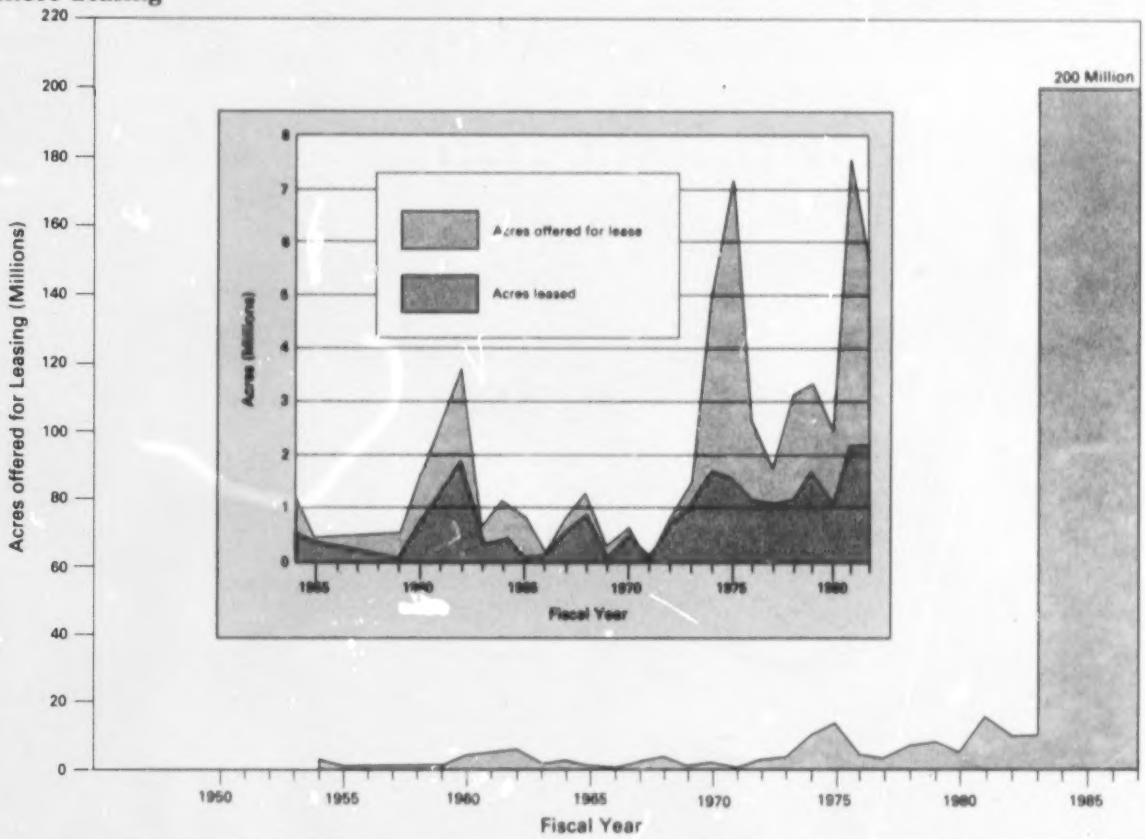


Offshore oil drilling rig in the Gulf of Mexico

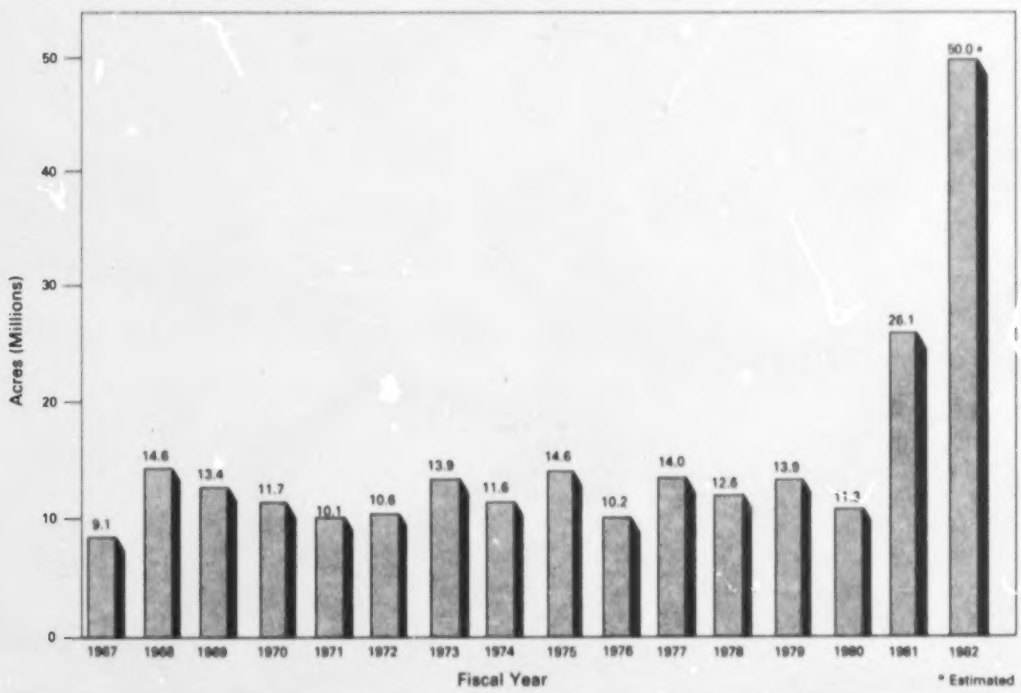
Offshore Oil & Gas Areas



Offshore Leasing



Onshore Oil & Gas Leasing



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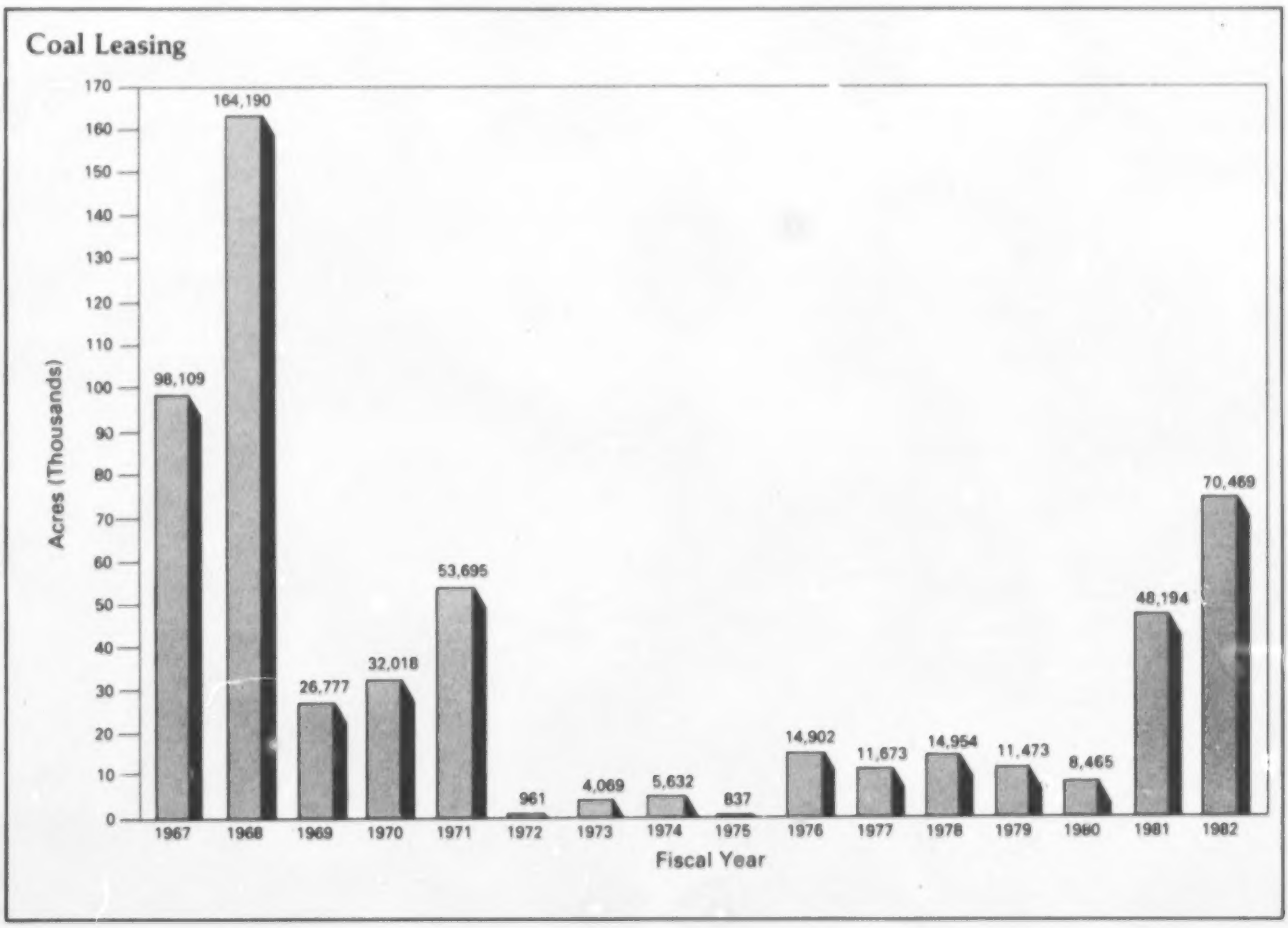
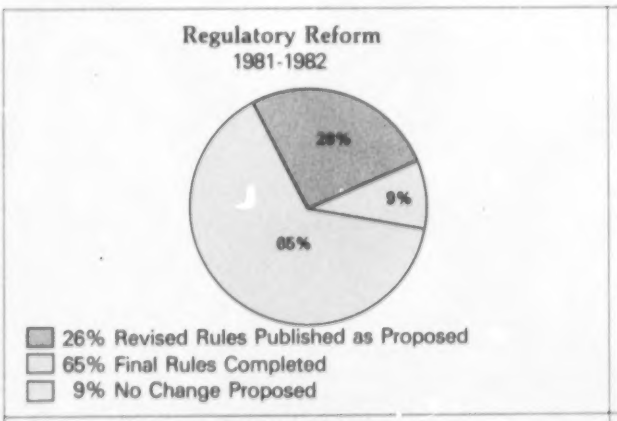
Coal

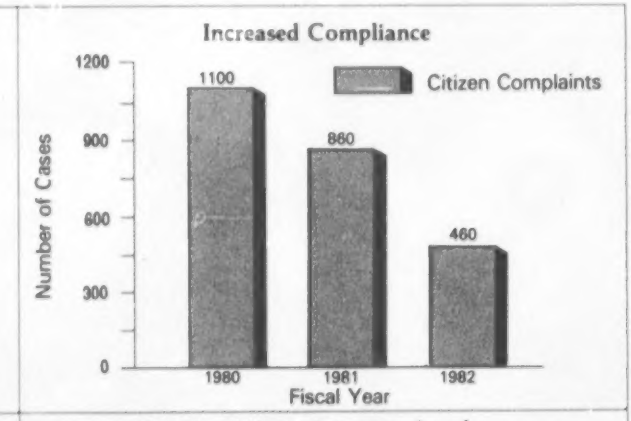
- Issued 55 coal leases on 118,663 acres in 1981 and 1982, compared to 26 leases on 16,938 acres during 1979 and 1980.
- Increased by 800% the tonnage of coal leased in 1981 and 1982 over 1979 and 1980. We leased 1.7 billion tons of coal in 1981 and 1982, compared to 211 million tons leased in 1979 and 1980.
- Conducted the largest coal lease sale in history on April 28, 1982, in the Powder River Coal Region in Montana and Wyoming. Ten tracts containing 16,554 acres and 1.1 billion tons of coal were sold. The high bonus bids totalled $43.5 million. The sale had the complete support of the Governors of both States.
- Completed revision of 65% of the Office of Surface Mining's permanent program regulations.
- Completed the transfer of lead authority for surface mining regulation to coal-mining States, as intended by Congress.
- Approved 18 of the 24 coal-mining States' abandoned mined land programs, assuring correction of past environmental abuses while creating jobs for Americans. Only two State abandoned mined land programs had been approved before January 1981.
- Completed a significant regulatory reform project with issuance by the Bureau of Land Management and the Minerals Management Service of final regulations governing competitive lease sales and management of coal operations on federal lands. The final regulations maintain required regulatory control of federal coal operations but allow operators to make decisions based on economic factors. The regulations also eliminate excessive restrictions on management and exploration and streamline the process for developing coal, while maintaining requirements for strict environmental control.

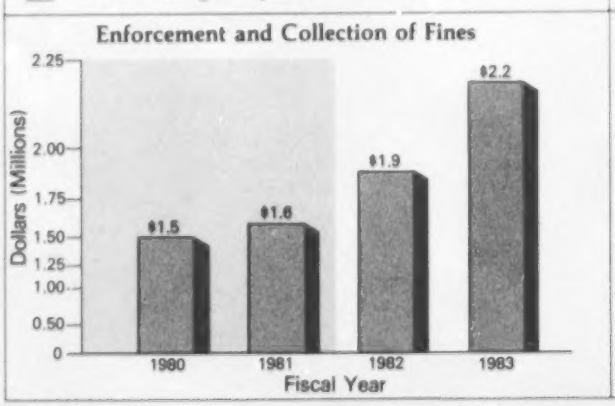


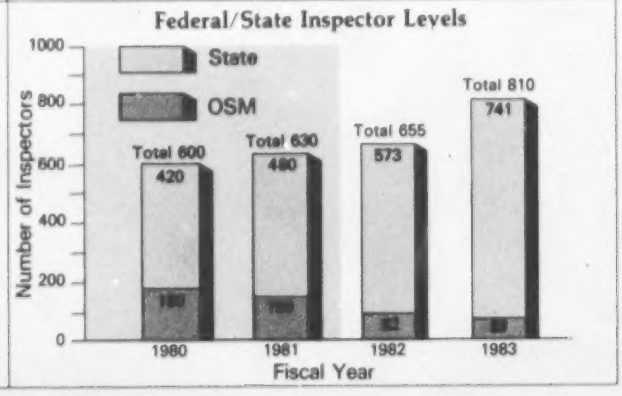
Coal Mining in Colstrip, Montana

Office of Surface Mining







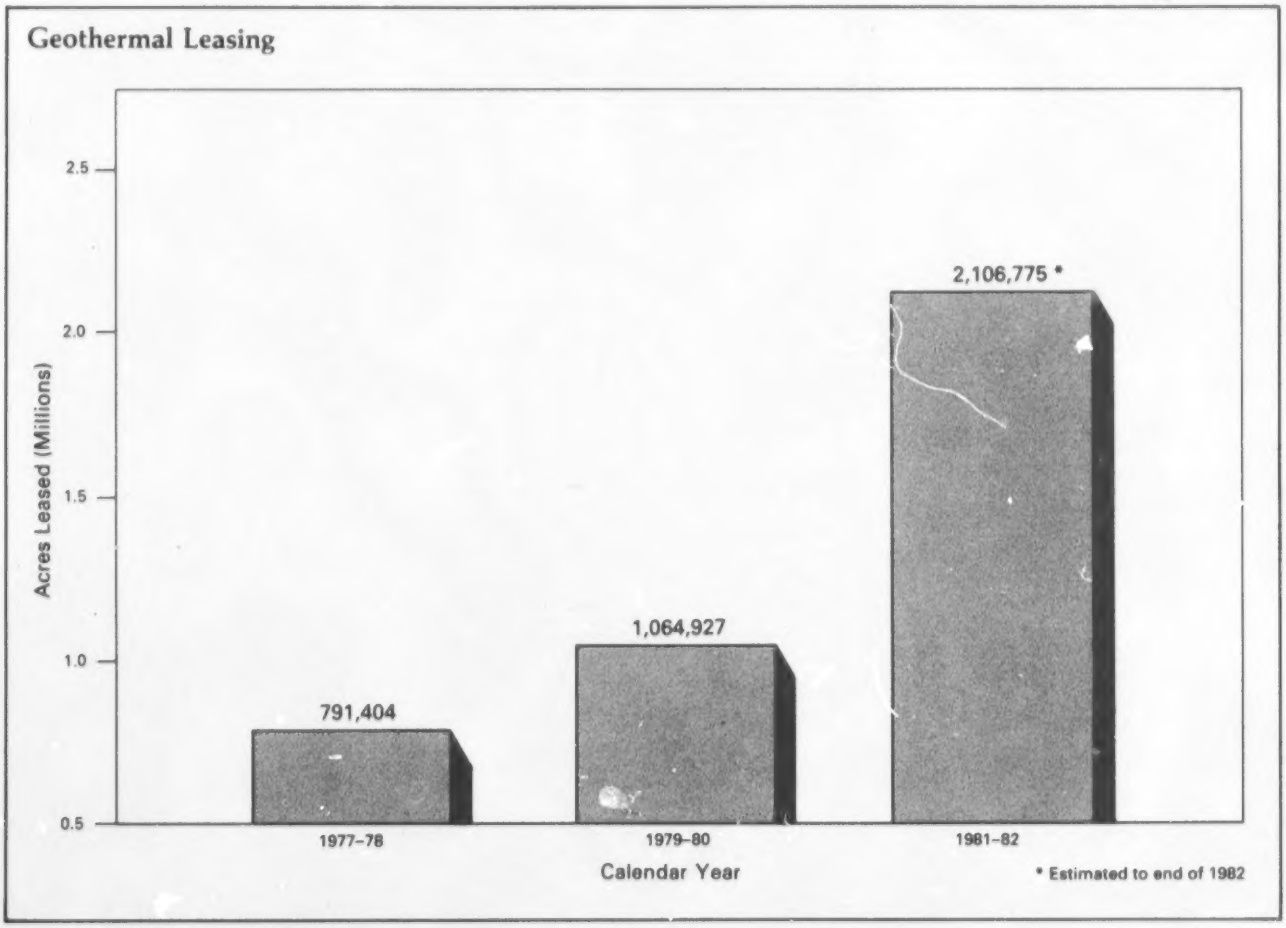


Geothermal

- Issued over 1,100 geothermal leases on 2.1 million acres in 1981 and 1982, compared to 592 leases on 1 million acres in 1979 and 1980. Bonus bids from competitive geothermal lease sales jumped from $3.4 million in 1979 and 1980 to nearly $30.5 million in 1981 and 1982.
- Implemented new regulations to encourage development of locally-important geothermal resources. The new regulations affect lands where the Federal Government currently shares ownership of the geothermal resource with other parties or where ownership will vest in the government at a future date.
- Completed the first comprehensive national assessment of the low temperature geothermal resources of the United States, useful for space heating and industrial heat processes.
- Completed a geophysical survey of the Cascade Range in Oregon and California, as part of the major regional geothermal assessment of this area.

Geothermal well overlooking Clear Lake, Ukiah, California

Geothermal Leasing



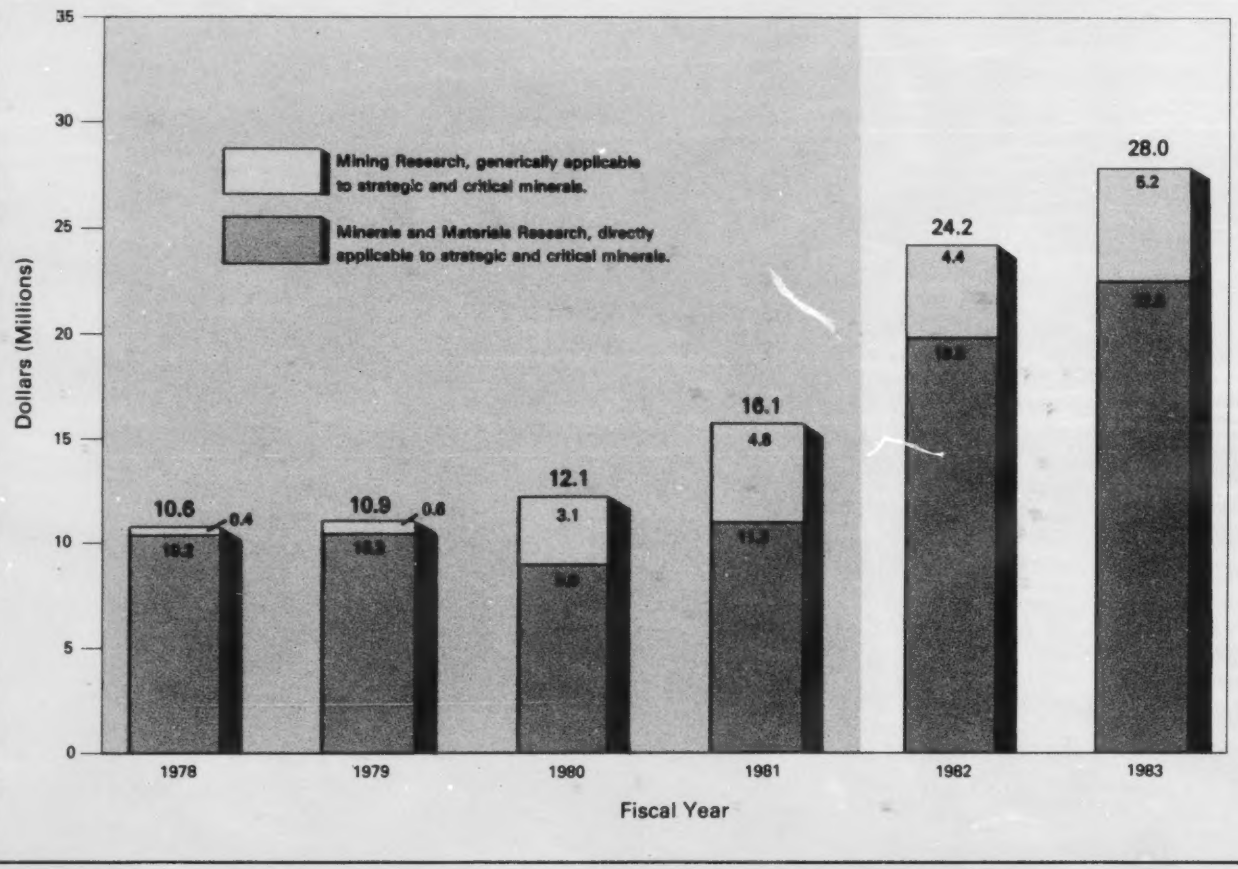
Oil Shale

- Implemented a prototype oil shale leasing program, that facilitates continued leasing for technological tests such as multi-mineral development.

Other Mineral Resources

- Developed the Administration's strategic and critical minerals policy—the most powerful Presidential statement on national minerals policy in nearly three decades and only the second such statement in history.
- Revoked obsolete land withdrawals from operation of the mining and mineral leasing laws on 10.2 million acres. During the previous four years, withdrawals were revoked on only 1.1 million acres.
- Removed land-use restrictions in the form of "classifications" dating back to the 1960's on 97.2 million acres of public land in the West, compared to 80,000 acres processed in the previous four years.
- To implement the President's National Materials and Minerals Program Plan and Report, initiated the first prototype International Strategic Minerals Inventory to provide reserve, production, capacity, and other related minerals data on major world chromium, nickel, manganese, and phosphate mines.
- Developed a phosphate recovery technique that can extend the life of Western U.S. phosphate reserves and also reduce the industry's waste disposal problem.
- Completed mineral surveys of over 1.8 million acres of Forest Service lands and 1.1 million acres of Bureau of Land Management lands under the provisions of The Wilderness Act of 1964.
- Implemented for the first time an Outer Continental Shelf hardrock minerals program permitting the exploration and development of sand and gravel, chromite and manganese resources—a program authorized by Congress in 1953.

Strategic and Critical Minerals Funding



A Year of Progress: Preparing the National Park, Wilderness, and Wildlife Refuge Systems for the 21st Century

In January 1981, we found our Nation's parklands, wildlife refuges, and other conservation areas suffering from negl[illegible]. Poor stewardship of the past focused on acqu[illegible]ing more land, rather than taking care of what [illegible] have.

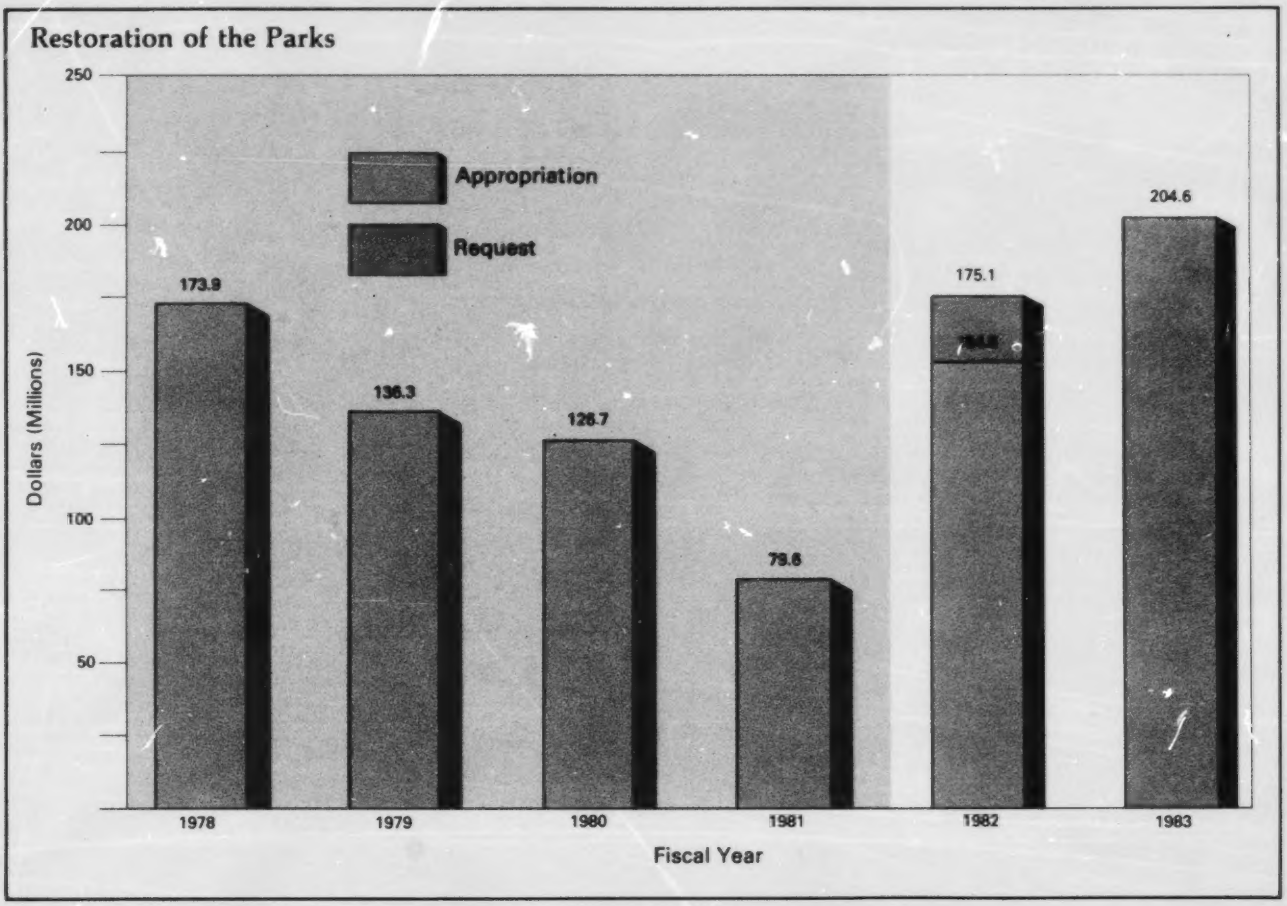
Our national parks—enjoyed by 291,162,000 visitors annually—had deteriorated; health and safety hazards were rampant. There had not been proper investments in the refuges that provide habitat for our wildlife and fish. Our coastal barriers and wetlands were being lost due to misguided federal policies.

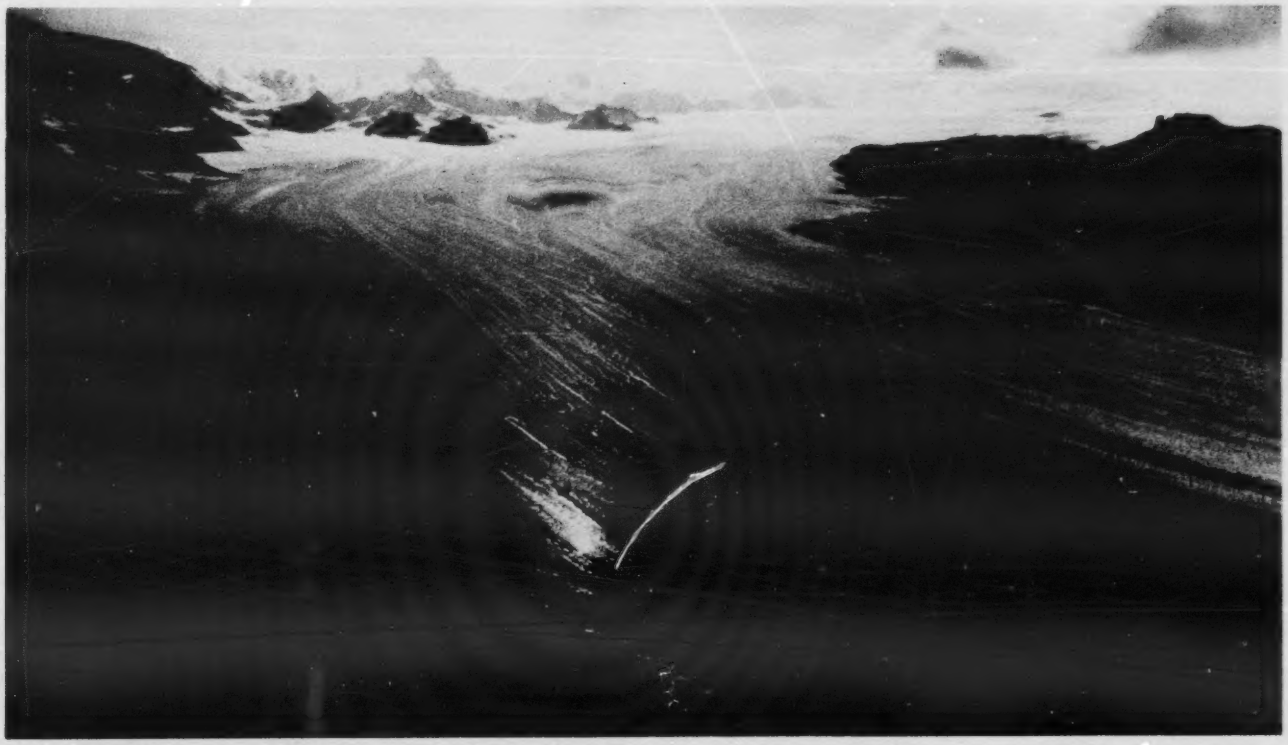
We have changed the policies of the past. Rather than reaching out for more and more land that cannot be adequately protected, we have made great progress in preserving, improving, and restoring those resources already owned by the people for the enjoyment of this generation and those to come.

In our first two years, we:

National Park System

- Created the Park Restoration and Improvement Program—a 5-year, $1 billion effort to protect the natural resource base and improve the physical facilities in the national parks. In fiscal year 1982, we more than doubled the funding level requested by the previous Administration to begin restoring the parks to acceptable health and safety standards. For fiscal year 1983, we requested an additional $204.6 million for park restoration and improvements. Beginning in 1981, we instituted a moratorium on adding new units to the park system until needed work in existing parks can be accomplished.
- Adopted a Land Protection Policy which emphasizes use of alternatives to full-fee acquisition and a variety of methods of land protection for important national resources. Implementation of the policy not only saves money for American taxpayers but also improves relationships between federal land managers and their neighbors and protects more park resources in a shorter period of time. Guidelines have been prepared for implementing this policy and land protection plans are underway for 200 parks.
- Raised federal park and recreation user fees 73% overall, with an average increase of $1.75 per unit. This ensures that those who use the parks assume a greater responsibility for their cost and makes park user fees more comparable with the private sector. We continue to seek Congressional authority to dedicate these millions of dollars to the National Park System.
- Proposed to Congress in August 1982 that 188 areas along the Atlantic and Gulf Coasts be designated as undeveloped coastal barriers in response to the Omnibus Budget Reconciliation Act of 1981. The designations would mean that federally-subsidized flood insurance would no longer be available in these areas after October 1, 1983. Congress used this proposal as the basis for final deliberations on the Coastal Barrier Resources Act, signed by President Reagan on October 18, 1982, which prohibits the expenditure of any federal funds for development in the designated areas.
- Joined the Department of Agriculture in recommending to the President eight additions to the National Wild and Scenic Rivers System. The additions, totalling some 245 river miles, are: The Elk, Conejos, Los Pinos and Piedra Rivers, Colorado; the Clarks Fork of The Yellowstone River and The Snake River, Wyoming; The Verde River, Arizona; and The Au Sable River, Michigan.
- Designated 192 National Recreation Trails, bringing the total number in the entire National Trails System to 715, comprising 7,182 miles. The Department also recommended that Congress designate the Florida Trail as a National Scenic Trail.
- Designated 18 properties as National Historic Landmarks.
- Designated six areas with highly significant ecological and geological features as National Natural Landmarks, bringing to 543 the number of areas listed on the National Registry of Natural Landmarks in the 50 States and in the Territories.



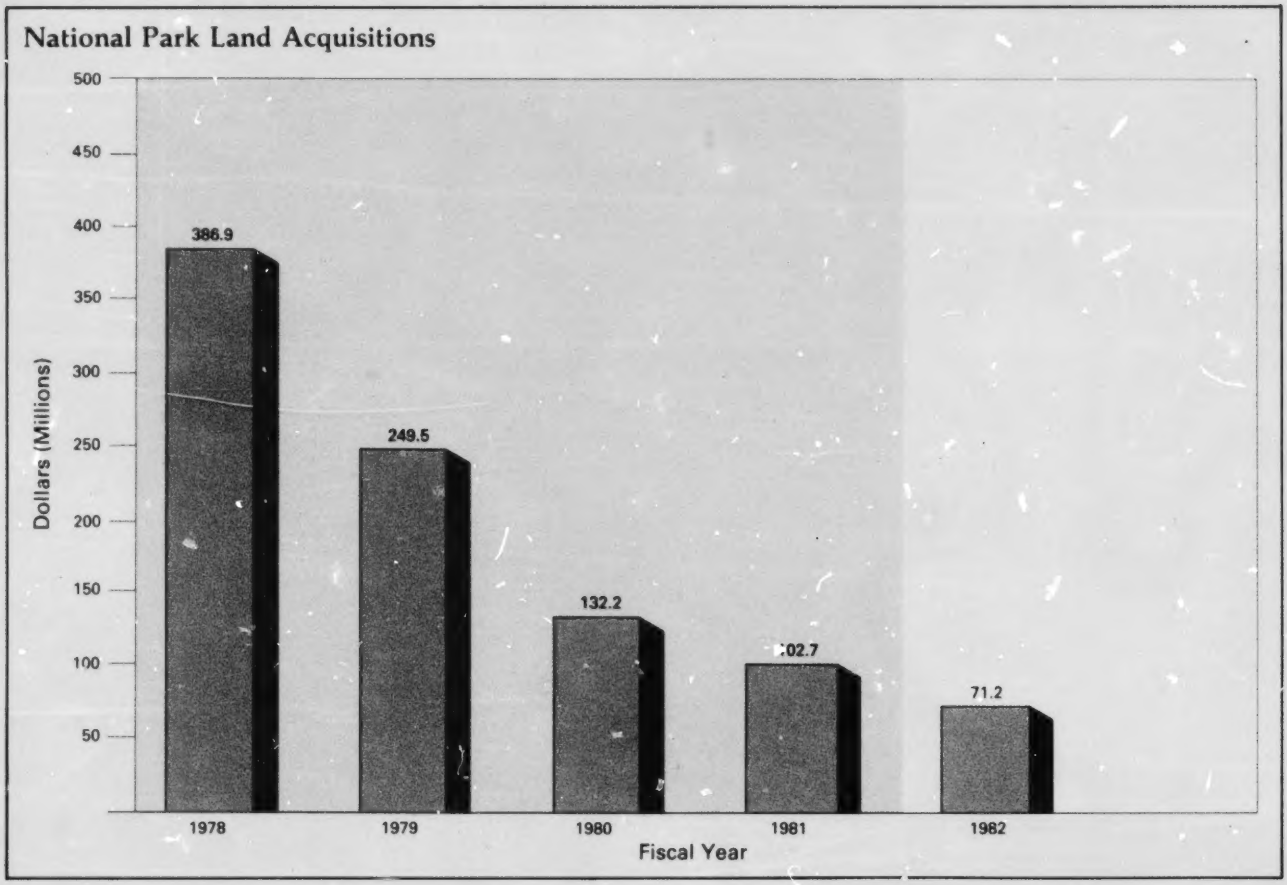


Visitors to the proposed Wrangell-St. Elias National Park in southeastern Alaska are able to drive near this Nabesna Glacier.

- Implemented the 1981 Economic Recovery Tax Act, which provides a 25% tax credit for private sector restoration of historic structures. Certification of rehabilitation projects has expanded from 1,375 in fiscal year 1981, representing $738.3 million of private investment, to 1,802 projects and a total private investment of approximately $1.1 billion in fiscal year 1982.
- Articulated and implemented the first comprehensive national historic preservation policy.
- Initiated a $230-million project to restore and preserve the Statue of Liberty and Ellis Island. President Reagan announced on May 8, 1982, the creation of the Statue of Liberty-Ellis Island Centennial Commission, which has embarked on one of the largest private fund-raising efforts in history—with the goal of raising $230 million by 1986, the 100th anniversary of the Statue's dedication.
- Published a Nationwide Rivers Inventory which identifies over 1,500 river segments encompassing approximately 62,000 miles of rivers which may qualify for the National Wild and Scenic Rivers System. These are the most significant rivers in a natural and free-flowing condition remaining in the Nation.
- Executed innovative public-private partnerships to assist the National Park Service in park operations. For example, since execution of the concession contract with TWA Services, Inc., TWA has expended approximately $2,369,000 on a building and improvement program in Yellowstone National Park. The concessioner also has expended $1,636,000 to date on normal maintenance projects associated with the park's operation, and still has $569,000 to expend for the remainder of 1982.
- Raised over $90,000 from county and private sources to fund the scientific investigation of 4,000 to 6,000-year-old archaeological remains discovered in the right-of-way of the Windy Gap water project near Granby, Colorado.
- Signed a Memorandum of Understanding with the State of Alaska on August 30, 1982, to execute an exchange that would add approximately 14,000 acres of land to Wrangell-St. Elias National Park and Preserve in the Chitina Valley. In 1981, over 6,000 acres were added to the Gates of the Arctic National Park in Alaska through a land exchange.
- In fiscal year 1982, completed the acquisition of 2,707 private inholdings comprising 46,464 acres in 58 areas in 33 States.
- Initiated a program funded at $432,000 during fiscal year 1982 for curbing pollution in 23 National Parks. Program accomplishments included studying water and wastewater treatment systems, installing meter equipment to increase efficiency, and modifying systems to protect public health and eliminate hazardous waste materials.

Famous 152-foot copper Statue of Liberty bearing the torch of freedom

- Formally established two previously authorized additions to the National Park System—Valley Forge National Historical Park in Valley Forge, New York, and Women's Rights National Historical Park in Seneca Falls, New York. Women's Rights National Historical Park is the first unit in the System to honor the efforts and accomplishments of women.
- Implemented the Natural Landmarks Patron Program, which has enabled us to enlist the assistance of close to 50 volunteers, mostly university scientists, in monitoring the condition of National Natural Landmarks.



Wilderness

- Recommended three additions to the National Wilderness Preservation System. The additions, totalling over 21,000 acres, are: The Spruce Creek addition to the Hunter-Fryingpan Wilderness, Colorado; The Paddy Creek area, Missouri; and The Aravaipa Canyon Primitive Area, Arizona.
- Completed wilderness studies for 29 percent of the 928 Bureau of Land Management wilderness study areas. In 1982, studies were completed on 1.3 million acres. We completed studies on 155,000 acres in 1981, bringing the total to approximately 1.5 million acres. Under the accelerated wilderness study schedule we have initiated, 90% of the acreage will have been studied by October 1984. The total acreage in BLM wilderness study areas is 24 million.
- Expanded the National Wilderness System through a three-party exchange—Bureau of Land Management, U.S. Forest Service, and City of Albuquerque, New Mexico—resulting in an addition of 7,025 acres to the Cibola National Forest, of which 6,257 will be added to the proposed Sandia Mountain Wilderness Addition.

National Wildlife Refuge System and Wildlife Protection

- Provided a 13% increase in funding for National Wildlife Refuge System operation and maintenance and, with the cooperation of Congress, strengthened the fire management program by tripling the funds available to assure the safety of employees and the public.
- Established a special task force known as POWDR (Protect Our Wetlands and Duck Resources), made up of State, private organization, and corporate officials, to encourage the donation of wetlands or development rights on those wetlands to private groups or State or federal agencies that will conserve them as permanent wildlife habitat.
- Purchased or leased approximately 86,000 acres of wetland habitat for migratory birds in the last two fiscal years. These acquisitions were funded largely by the sale of Migratory Bird Hunting and Conservation Stamps.
- Completed and distributed a National Waterfowl Management Plan that sets goals and objectives for cooperative State-federal actions to conserve healthy waterfowl populations.

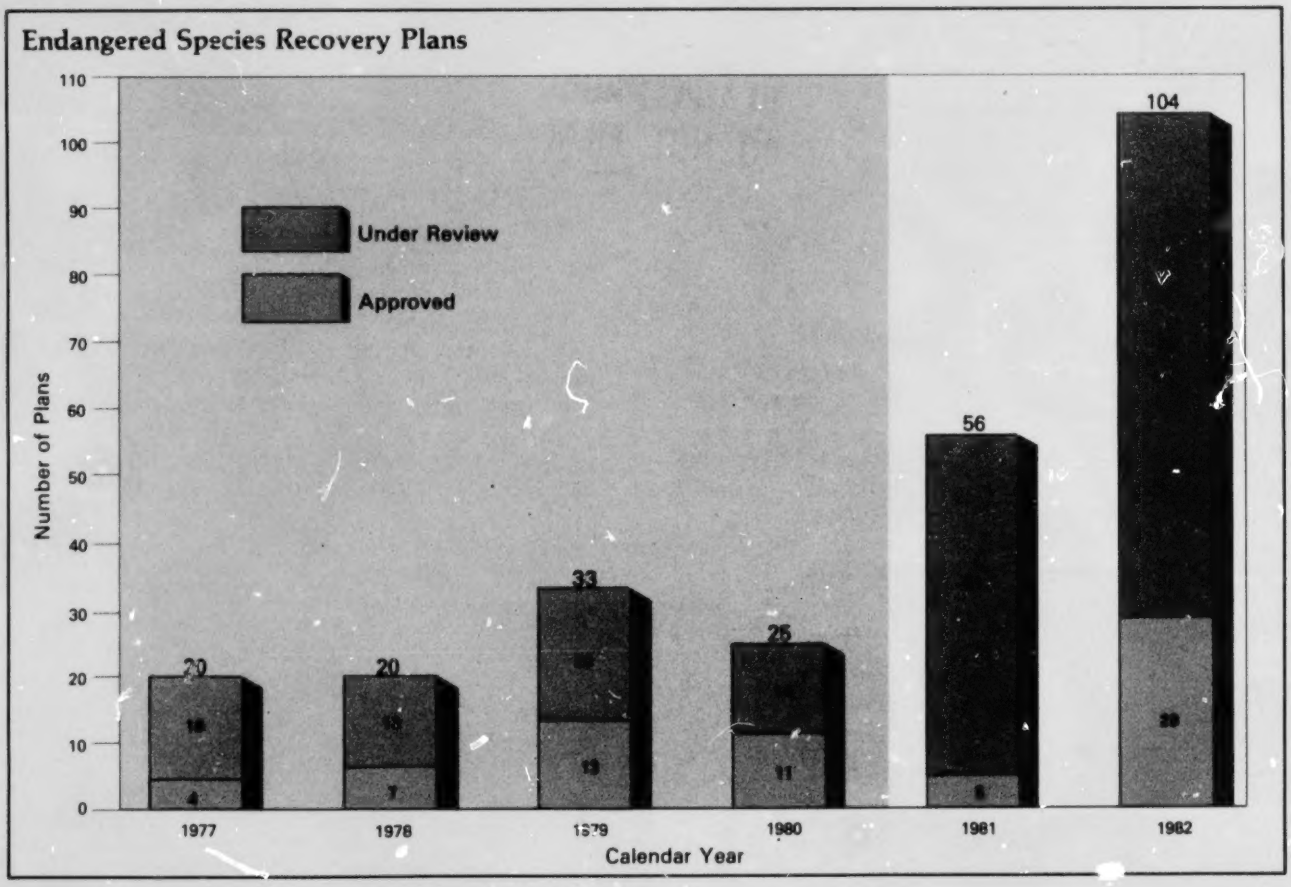
- Obtained the first felony conviction under the Lacey Act of two commercial fishermen for shipping more than 50,000 pounds of illegally-taken fish across State lines.
- Took steps to provide for more public and multiple use of refuges as provided by the National Wildlife Refuge System Administration Act. New or expanded uses will be allowed only where those activities are compatible with the purposes for which the refuge was established. In addition to the recreational uses, economic activities generate money—over $4 million annually—that is returned to counties as revenue-sharing payments.
- Proposed a budget for fiscal year 1983 for the National Fish Hatchery System that will provide a 28% increase in funding for hatchery operation and maintenance of the remaining 58 hatcheries—one of the largest increases in the history of the program.
- Purchased 19,400 acres of wildlife habitat through the Land and Water Conservation Fund. These acquisitions include 2,309 acres of habitat at San Bernadino National Wildlife Refuge, Arizona, for the endangered Yaqui topminnow; 577 acres of roosting habitat for the highly endangered California condor; and 24 acres for the American crocodile at Crocodile Lake National Wildlife Refuge, Florida. Additions were made to a number of other National Wildlife Refuges, including Alaska Maritime, Alaska; Bogue Chitto on the Mississippi-Louisiana border; Bon Secour on Alabama's Gulf Coast; Great Dismal Swamp in Virginia; Great White Heron and Lower Suwannee in Florida; Hart Mountain in Oregon; Rio Grande Valley in Texas; San Francisco Bay in California; Trustom Pond in Rhode Island; Sevilleta in New Mexico; and Tensas in Louisiana.
- In fiscal year 1982, approved the purchase of 445 private inholdings from willing sellers of 72,450 acres in 42 areas in 26 States. In 1981, we approved purchase of 14 private inholdings of 947 acres in 3 areas in 3 States.
- In fiscal year 1982, apportioned nearly $147 million in federal aid funds to the 50 States for fish and wildlife restoration and improvement projects and hunter safety education programs, compared to $114 million in fiscal year 1981. Three States—Kansas, Colorado, and Wyoming—began operating their grant programs with less federal overview under long-range comprehensive resource management plans.
- Completed ecological map inventories of coastal fish and wildlife resources of the Gulf of Mexico and Pacific Coasts. This information is designed for use by local and State governments and industries that contemplate major developments in the coastal zone.
- Completed detailed wetland maps for 240,000 square miles of the Lower 48 States, and 10,000 square miles of Alaska. More than 100,000 copies of wetland maps were distributed to all levels of government and the private sector to provide accurate information needed by developers and others to make sound resource decisions.

Duck hunting

Bottomland hardwood wetland in Achafalaya River Swamp in Louisiana

Kayaking in Okefenokee

- In 1981 and 1982, approved or reviewed 160 plans for the recovery of endangered or threatened species, 160% more than the 98 plans approved or reviewed in the previous four years. In addition, we added 15 species to the U.S. list of endangered species and protected two others under an emergency rulemaking.
- Successfully prosecuted 65 violators who have been fined a total of $156,000 as a result of the 1981 reptile "sting" operation to halt illegal trafficking in wildlife. The Government has not lost a case in the undercover investigation of a multimillion-dollar black market in thousands of protected reptiles. In addition, in September 1982, we held our first public sale to dispose of a 10-year collection of confiscated wildlife products that brought $250,000 in bids. All of the items offered for sale can be legally sold in the United States.
- Completed the United States' 10-year review of wildlife and plant species listed in Appendices I and II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). This is part of an effort by the U.S. and other CITES nations to ensure that trade regulations for all listed species are appropriate and to evaluate the effectiveness of the treaty.
- Completed studies to determine the role of contaminants in the decline of Chesapeake Bay populations of striped bass; also completed a 2-year study of the economic importance of striped bass to the recreational and commercial fisheries of the North Atlantic that will aid in restoration efforts by the States.
- Realigned management responsibilities and funding in the Fish and Wildlife Service by closing 18 area offices, placing 50% of the area office staff in the regional offices and 50% in the field.



Endangered Ocelot

A Year of Progress: Preparing the West With Adequate Water for the 21st Century

When we took office, change was needed in the management of our Nation's water resources, particularly in the West. Current Western water projects irrigate about 10 million acres—a fraction of 1% of the Nation's agricultural land; yet this land now produces over 10% of America's total crop value every year. As an extra benefit, the safe, clean hydroelectric power produced at federal water projects is enough to offset 81 million barrels of crude oil per year.

Since water in the West so dramatically impacts our ability to feed our people and produce our domestic energy requirements, we need an aggressive program to provide the water resources that will be critical to the Nation.

In 1981, we brought change to the federal role in water resource development, making the Federal Government a partner with the Western States to help avert a water crisis in the next decade. In 1982, we have made great progress in ensuring proper investment and management of the West's water resources.

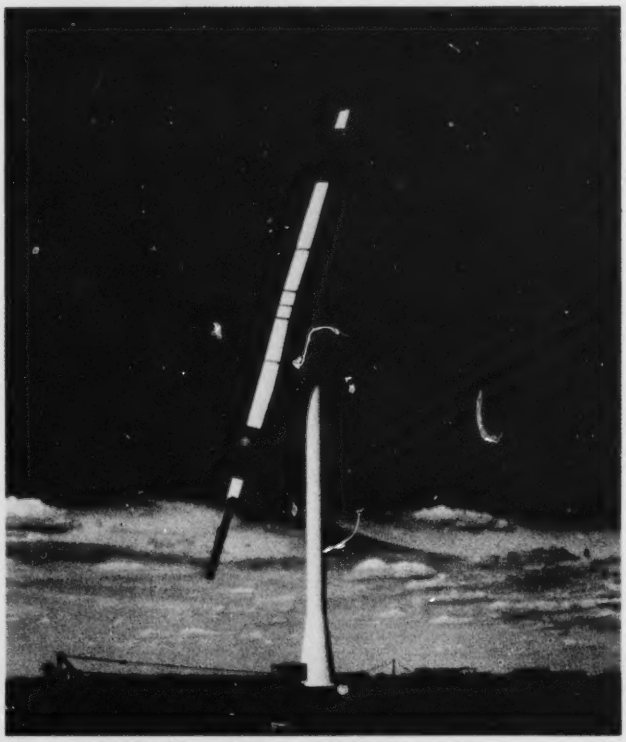
During this period we:

- Announced ten new Western water projects. The State of Wyoming has appropriated up to $47 million for the $109-million Buffalo Bill Dam Modification Project near Cody, Wyoming, which will increase generating capacity at the dam from 5,600 kilowatts to 20,000 kilowatts and will provide an average of 74,000 additional acre-feet of water for municipal and industrial use. The $53-million Headgate Rock Hydroelectric Project near Parker, Arizona, will provide 86.5 million kilowatts annually to the tribes of the Colorado River Indian Reservation; the energy produced by the powerplant's new generators will be roughly equivalent to 160,000 barrels of oil annually. We approved eight new loan programs for projects in Arizona, California, Montana and Washington.
- Successfully coordinated reform of the 1902 Reclamation Act. The new law increases the acreage eligible for federal irrigation water from 160 to 960 acres per farm, repeals the residency requirements to qualify for federal water, exempts from the law certain Corps of Engineers projects and districts which have completed their repayment obligation, authorizes adjustment of the acreage limit for areas where growing seasons are shorter, and improves water project cost recovery for the benefit of taxpayers and water conservation.
- Began operation of two giant wind turbines that will add 2.5 and 4 megawatts, respectively, of electric power to the federal power transmission system. Experience with the turbines will help in

Buffalo Bill Dam, Wyoming, provides for irrigation of the Shoshone Valley.

designing future wind energy systems and will demonstrate the integration of wind energy with hydroelectric power.

- Revised the cumbersome Principles and Standards for Water Resources Projects. Adopted final Principles and Guidelines that are more flexible and ensure prudent public investment in environmentally and economically sound water development projects. We also streamlined the federal water project planning process, reducing by one-half to two-thirds the time previously required—an average of 17 years—to complete planning prior to project construction.
- Began operations in the new Office of Water Policy, established to provide policy analysis on water issues and liaison to the States and water groups. In 1981, we returned to the States primary authority to allocate water resources by reversing a 1979 legal opinion on so-called "non-reserved" federal water rights and reaffirming that, unless otherwise directed by Congress, the individual States will govern how Interior agencies acquire water sources.
- Returned important water policy deliberations to the Cabinet level of government by successfully closing down the Office of the Water Resources Council. We also eliminated non-essential desalting programs and streamlined the Department's water research management programs by abolishing the Office of Water Research and Technology.
- Entered into agreements for projects involving non-federal financial participation, including:
  —The City of Casper, Wyoming, and the Casper-Alcova Irrigation District;
  —The States of Colorado, Nevada and Washington; and,
  —The Western Mining Division of W.R. Grace and Company.
- Awarded 355 construction contracts, worth an estimated $520 million, to keep construction going on 16 Western multi-purpose water projects in 13 States. Approximately 11,650 work-years of non-federal employment resulted from these contracts.
- Revitalized the Bureau of Reclamation to emphasize greater cost accountability through cost sharing and creative financing, joint ventures, decentralization of decision-making, and improved consultation with the States.



The MOD-2 wind generator at Medicine Bow, Wyoming

A Year of Progress: Preparing the Federal Land Manager to be a Good Neighbor to the States in the 21st Century

The Federal Government controls one-third of the Nation's land and 60% of the land in the West. In the past, Washington bureaucrats dominated resource management decisions.

In 1981, we curbed the high tide of federal intrusion that had fomented the turbulent popular uprising known as the "Sagebrush Rebellion." Because we changed the arrogant and heavy-handed policies of the past, the War on the West is over, and America has won. Western States are now full partners with us in making the critical resource management decisions that impact so completely the lives and the livelihoods of the people of the West. To continue our role as a good neighbor to the States, we:

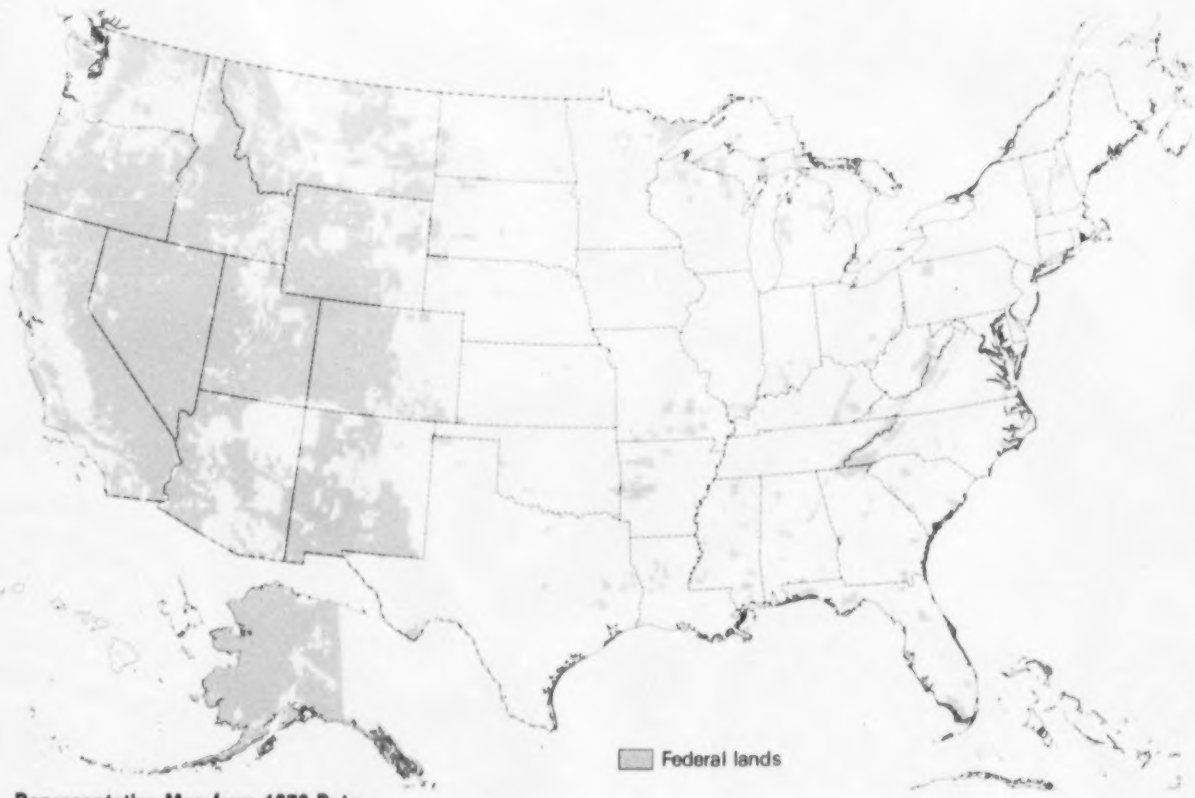
- Conveyed more land to the State of Alaska and native corporations in 1981 and 1982 than had been conveyed in the previous four years. Under the Statehood Act and Native Claims Settlement Act, we have conveyed 25.7 million acres—more land than any prior Administration conveyed, although the obligations have existed since 1959 and 1971, respectively.
- Revitalized efforts to honor States' rightful claims to the public lands they were granted upon entering the Union. In January 1981, we owed eight Western States 605,700 acres. No lands were conveyed in 1980. Since we took office 158,680 acres have been conveyed to four States. In 1983, with the States' cooperation, we plan to convey an additional 212,320 acres, completing entitlements to Colorado, Montana, and South Dakota and reducing entitlements due to Arizona, California, Idaho and Utah. The remaining entitlements will be transferred upon State identification of the lands they want.
- Made record payments in fiscal year 1982 of $735 million to State and local governments in the form of shared revenues from energy production, sales of public land resources, and direct payments to counties as compensation in lieu of the taxes they forego on federal lands within their boundaries. This tops the fiscal year 1981 all-time high of $539 million.
- Responding to the President's call for better management of federal assets, identified 2.7 million acres of publicly-owned land already included in land use plans as surplus to federal needs. None of this acreage is in national parks, wildlife refuges, conservation areas, wilderness or other areas of national environmental significance.
- Authorized the transfer, exchange or lease of 19,624 acres of federal land to State and local governments for park and recreation purposes. Applications covering another 187,415 acres are being reviewed and processed.
- Returned to the States primary authority to allocate water resources. In reversing a 1979 legal opinion on so-called "non-reserved" federal water rights, we reaffirmed that, unless otherwise directed

BLM range conservationist discusses grazing management with sheep herder on American Flats, Colorado.

by Congress, the individual States shall govern how Interior agencies acquire new water sources.

- Adopted new rangeland management regulations that make livestock managers stronger partners in maintaining a healthier rangeland environment.
- Implemented new wildlife management policies that reaffirm the States' rights to manage resident wildlife populations.
- Ruled that Alaska's subsistence management and use program complied with the Alaska National Interest Lands Conservation Act, thereby ensuring that the State would retain its traditional lead role in the management of fish and wildlife on the public lands. That determination completed a year-long negotiation process with the State.
- Produced the first multiple-use Resource Management Plan on public lands, required by the Federal Land Policy and Management Act of 1976, covering the Glenwood Springs, Colorado, BLM Resource Area. Another three plans are scheduled for completion in 1983, and 40 more plans are underway.
- Reduced the average cost of BLM land use plans from $667,000 each to about $300,000 each. We also reduced the time required for preparing such plans from an average of four years to 20-24 months.

Federal Lands Map



Representative Map from 1970 Data

State Indemnity Selections

State	Original Entitlement	Entitlement As of 1/1/81	Transferred (Cal. Yr.) 1980	1981	1982	1983 *
ARIZONA	10,500,000	194,000	0	58,000	80,000	40,000
CALIFORNIA	8,800,000	115,000	0	0	0	64,000
COLORADO	4,500,000	11,000	0	0	0	11,000
IDAHO	4,300,000	27,000	0	19,000	0	5,000
MONTANA	6,000,000	27,000	0	0	0	27,000
SOUTH DAKOTA	4,100,000	2,100	0	0	1,780	320
UTAH	7,500,000	228,500	0	0	0	65,000
WYOMING	4,300,000	1,100	0	0	0	0
		Total Acreage	0	77,000	81,780	212,320

* Because States have control over what and how much land is selected, the figures for 1983 are estimates of what Interior expects to be selected for that year.

Rangeland management

A Year of Progress: Preparing Indian Tribes and Island Territories for Economic Self-Sufficiency in the 21st Century

The Interior Department is responsible for 735,000 Indians living on 50 million acres of reservation land, and for improving the economic and political status of the U.S. flag territories of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands and the Trust Territory of the Pacific Islands (Micronesia).

During 1981 and 1982, we have made progress in helping these peoples achieve economic self-reliance and governmental self-determination.

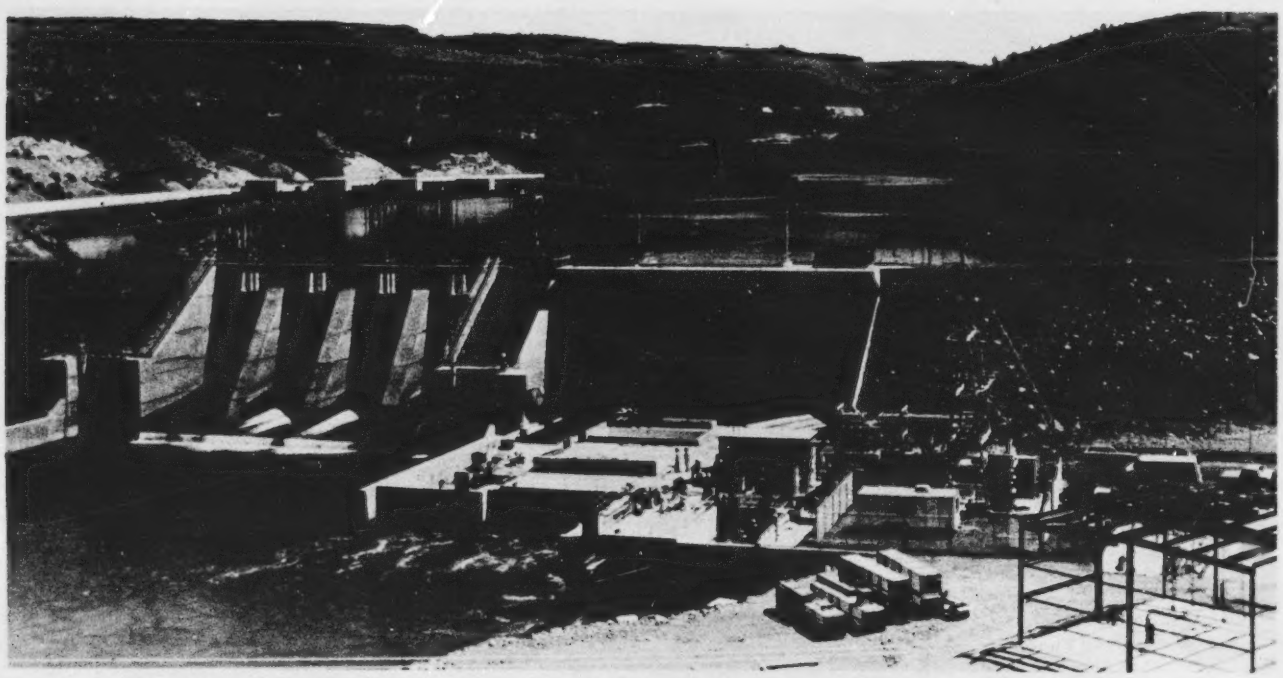
To date, we have:

Indian Tribes

- Announced the Administration's Indian Policy which is the first pronouncement of Indian policy since 1970. The policy:
  - —reaffirms the government-to-government relationship;
  - —reinforces the concept of Indian self-government;
  - —establishes a Presidential Commission to help improve the economies on Indian Reservations;
  - —designates the White House Office of Intergovernmental Affairs as liaison for Tribes; and,
  - —recommends expanding the membership of the Advisory Commission on Intergovernmental Relations to include Indian tribal governments.
- Transferred 17 Bureau of Indian Affairs day schools to the State of Alaska, achieving a savings to the Federal Government of $5.9 million.
- Established a formal process to negotiate settlements of over 50 Indian water rights claims in litigation. The Papago Indian Tribe's claim was the first to be negotiated and was settled in September 1982. The Papago settlement reduced the cost to the Federal Government from $112 million (proposed in a bill vetoed by the President) to $18 million and provided for a contribution of over $8 million by local beneficiaries.
- Proposed to Congress a new $10 million Indian Economic Development Initiative. The initiative will assist tribes in developing their natural and physical resources as a means of generating income and employment opportunities.
- Dedicated the first Indian-owned hydroelectric dam on a reservation. Financed with $10 million in tribal funds, $15 million raised by a State bond issue and a $5 million federal loan, the Pelton Dam on the Warm Springs Indian Reservation in Oregon will generate approximately $4 million annually to the Confederated Tribes through the sale of power to northwest utilities.
- Instituted forest inventory and planning programs to assist tribes in the cutting of timber on a sustained-yield basis. Eleven full programs and 20 to 30 abbreviated plans for smaller reservations were operational by the end of 1982.
- Started construction on nine new, small irrigation projects—four in Arizona, four in the Dakotas and one in Iowa—which will be completed in one to two years and will provide quick economic returns to the tribes.
- Provided $2.5 million in funding to the Lower Brule Sioux Tribe for the second phase of the Grass Rope Irrigation Unit. This will permit the tribe to irrigate 3,500 acres, in addition to the 1,500 acres now under irrigation, generating a potential income of $1.2 million.
- Proposed the Small Tribes Core Management Initiative for fiscal year 1983 to assist tribes of 1,500 population or less in meeting special needs associated with economic development.
- Settled the controversy about Indian gill-net fishing in the Great Lakes area. The plan, which will limit Indian gill-netters to an area generally north of Little Traverse Bay in Northern Michigan, was accepted in concept by Indian representatives, sport fishermen and the Michigan Department of Natural Resources. The comprehensive settlement will protect the fishery resources, protect Michigan's sport-fishing, and protect Indian treaty rights.
- Instituted a model hydrocarbon monitoring system in the Anadarko, Oklahoma, area that enables tribes to determine royalties at the exact moment they are due, thereby obviating the customary 30-day delay in royalty payment.

Indian Lands of the U.S.

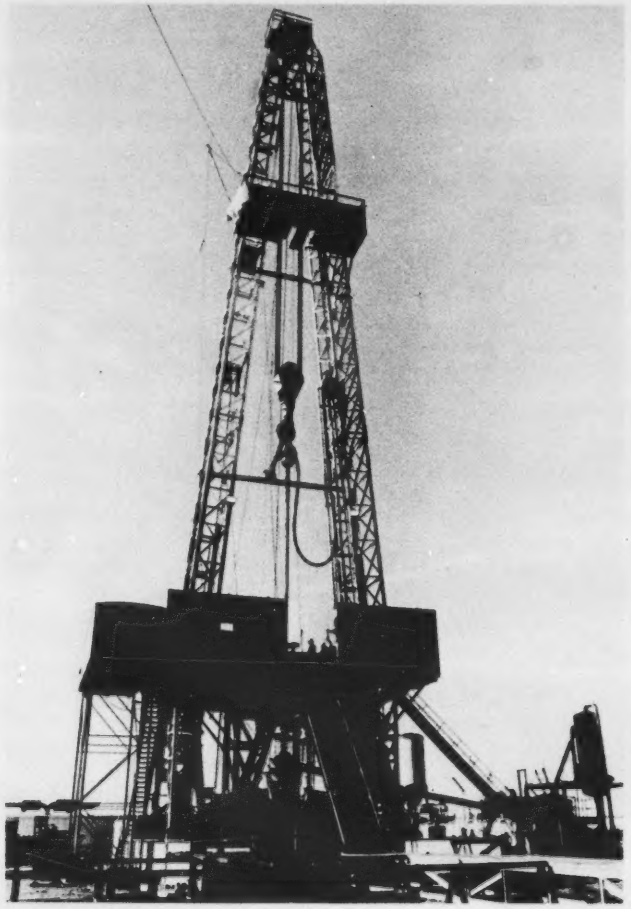
Representative Map from 1970 Data



The first Indian-owned hydroelectric dam on a reservation was dedicated on the Warm Springs, Oregon, Indian Reservation in 1982.

- Supported legislation that would give tribal governments the same federal tax advantages currently enjoyed by State, county, and municipal governments. The bill would permit tribes to issue tax exempt bonds and exempt tribes from payment of certain excise taxes. These tax advantages will further tribal economic self-sufficiency.
- Supported legislation to permit Indian tribes to develop oil and gas and other mineral resources through joint venture agreements, risk service contracts, joint production agreements and other non-lease approaches. Non-lease agreements will enable tribes to become directly involved in management decisions for these resources.
- Initiated a series of regional, person-to-person workshops to discuss programming and budgetary matters with tribal leaders. This additional consultation will improve government-to-government relationships, foster deeper understanding of the tribes and management problems, and increase appreciation of Indian self-determination.
- Settled the land claims of the Chugach Natives in Alaska. The settlement resolved issues outstanding for 11 years.
- Developed a training course entitled "Dealing with Tribal Governments," to assist various federal and State agencies and others affected by tribal governmental actions.
- Undertook a comprehensive review of all off-reservation boarding schools to determine the feasibility of continued operations as well as alternatives available for educating students closer to their homes.

Gill net fishing in the Great Lakes



Drilling operation in the well-known Anadarko Basin, Oklahoma. Indian landowners receive bonuses and royalties.

Island Territories and International Affairs

- Sponsored with the White House a meeting for Guam businessmen to discuss problems of federal constraints on Guam's economic development. As a result of the meeting, the Defense Base Act, as it applies to Guam, was waived; the adverse effect wage rate for Guam was abolished by the Immigration and Naturalization Service and the Department of Labor; temporary alien worker labor certification authority was returned to the Government of Guam from the Department of Labor; and Interior received approval from the Environmental Protection Agency for a 6-month extension on the date for the Guam Power Authority (GPA) to comply with the Clean Air Act by installing new scrubber technology, resulting in a $20 million savings to GPA.
- Established a center for small business development in Guam and Micronesia through a cooperative effort with the Department of Defense.
- Provided technical assistance funding to improve the financial management systems in the territories. A pilot project was established in Guam and similar systems are planned for the remainder of the territories.
- Served as project administrator for the planning, design, and construction of facilities for Saudi Arabia's first national park (Asir National Park), a 5-year project that is now ready for dedication by the Royal Family.
- Obtained the final transfer of Maritime Administration vessels from the Trust Territory government to the emerging governments of Micronesia, thus providing vital cargo and transportation vessels to these governments.
- Developed the Presidential Proclamation extending certain provisions of the Communications Act of 1934 to the Northern Mariana Islands, to allow Northern Mariana citizens to be issued licenses and other authorizations to engage in broadcast and television activities.
- Assisted in negotiating the *Compact of Free Association* with each of the governments of the Trust Territory of the Pacific Islands, establishing the structural foundation for Micronesian autonomy in a relationship with the United States that will ensure stable political development and pave the way for sound economic progress for the islands.
- Implemented a contract to link the Trust Territory of the Pacific Islands with the rest of the world through seven satellite earth stations. The first station, in Palau, was dedicated in November 1982.

A Year of Progress: Preparing the Department of the Interior to be More Efficient and Effective in the 21st Century

To achieve efficient and effective management of the Department of the Interior, we:

Management

- Reduced our net budget authority (budget authority less offsetting receipts) by approximately 25% from fiscal year 1981 to fiscal year 1983. Interior's gross budget authority was reduced by almost 5% from $6.2 billion to $5.9 billion from fiscal year 1981 to fiscal year 1983. In the same period, revenues generated from Interior programs (excluding OCS leasing) and used to offset Department budget requirements increased almost 44% from $1.8 billion to $2.6 billion.
- In fiscal year 1982, generated $8.3 billion in revenues to the U.S. Treasury. We estimate generating total revenues of $15 billion in fiscal year 1983.
- From fiscal year 1981 to fiscal year 1983, reduced permanent full-time personnel by about 8% with limited use of reductions-in-force.
- Participated in 275 separate Congressional hearings in a spirit of open communications—averaging one hearing every 1.25 legislative days, ranking the Department third in the Federal Government behind the Departments of Defense and Treasury. The Secretary personally testified on the average of once every eight legislative days.
- Realigned onshore and offshore mineral leasing responsibilities by (1) within one year, creating the Minerals Management Service (MMS) and reassigning the offshore leasing responsibilities of the Conservation Division from USGS to MMS and the onshore leasing activities to the Bureau of Land Management (BLM); and (2) elevating onshore leasing activities in the BLM through designation of a new position—Deputy Director of Energy and Minerals—and establishment of a personnel system to allow energy and minerals experts to move into top management in the BLM. All non-financial onshore leasing activities are now handled by BLM, and full responsibility for the offshore leasing and production program and mineral royalty management is with MMS.
- In 1982, released the first USGS provisional map edition, a new concept in primary quadrangle mapping which dramatically reduces federal costs. The new process will expedite by ten years completion of topographic map coverage of the United States.

Regulatory Reform

- Completed action on 34 of the 55 rules targeted for revocation or revision in response to public comments received in January 1981.

Red Tape Reduction

- Experienced a 6% reduction in the number of lawsuits filed against the Department of the Interior. In 1981 and 1982, 504 lawsuits have been filed, compared to 536 filed in 1979 and 1980.
- Experienced a dramatic decrease in the number of appeals to the Interior Department's Office of Hearings and Appeals. In 1982, 1,980 appeals have been filed, compared to 2,559 in 1981, and 3,041 in 1980.
- Illustrative of our open-Administration philosophy, experienced a 111% reduction in the number of appeals from denials of Freedom of Information Act requests. We received 171 appeals from FOIA denials in 1981 and 1982, compared to 361 appeals from denials filed in 1979 and 1980.

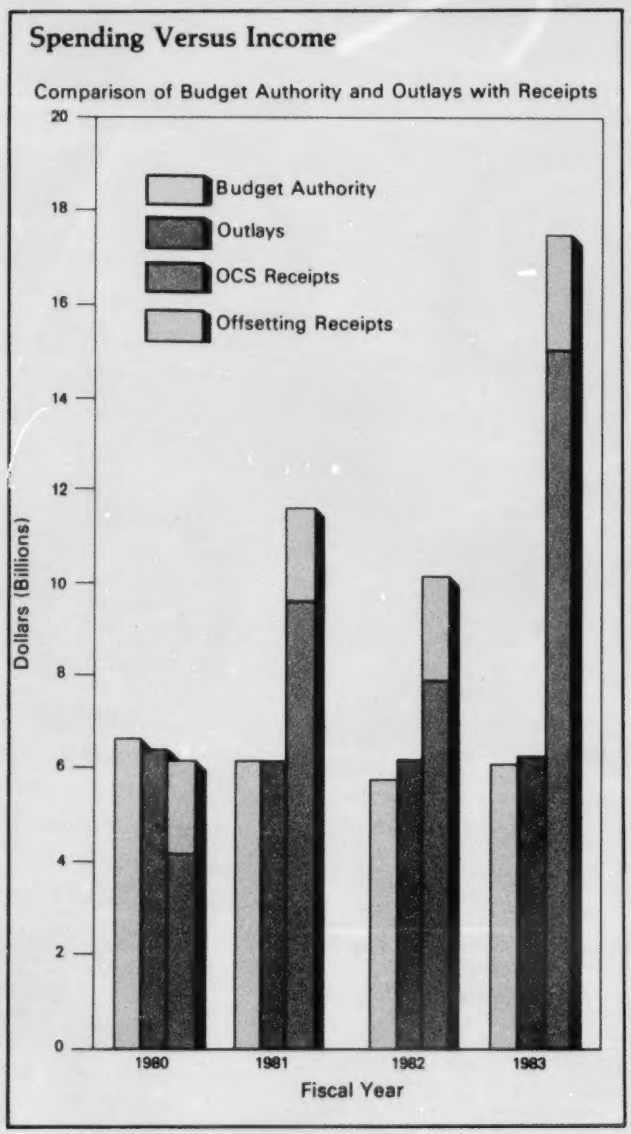
Internal Control

- In response to recommendations from a blue-ribbon panel (Linowes' Commission) created to develop solutions to assure recovery of an estimated $200-$500 million-a-year in oil and gas royalties believed unreported on federal and Indian leases, initiated a massive audit program of mineral royalty collections which has identified over $65 million and

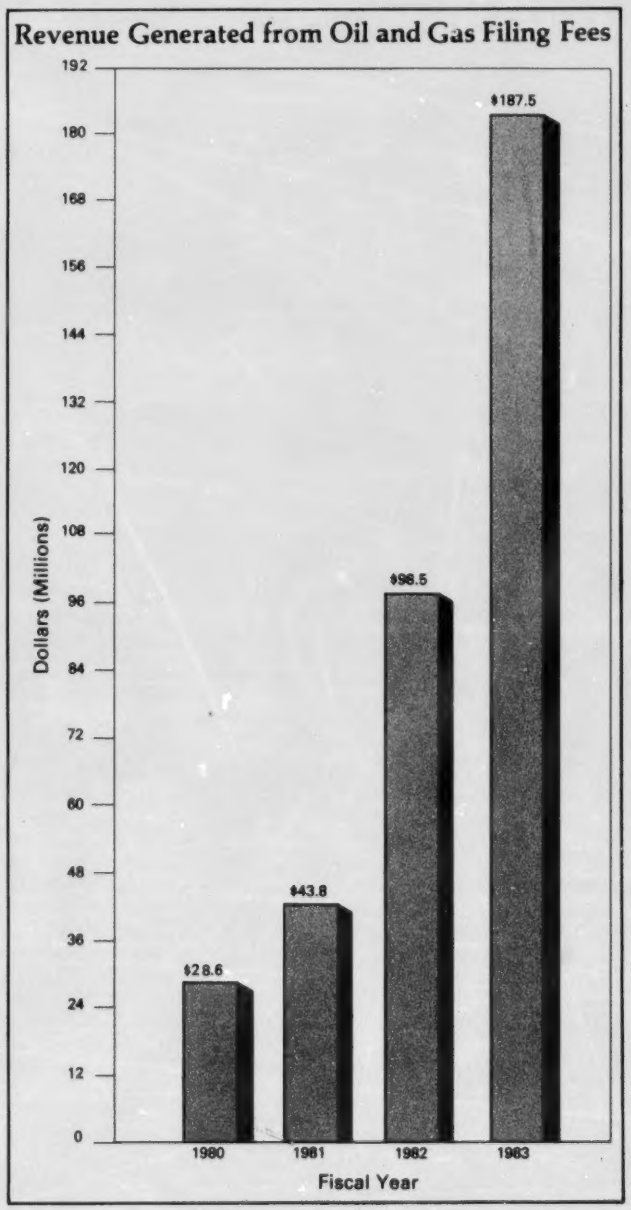
collected $55 million to date in unpaid royalties owed the Federal Treasury.

- To implement the Linowes' Commission recommendations, doubled the lease inspector force and established tough, nationally consistent standards for field inspections of lease operations. In 1981 and 1982, we conducted 44,155 inspections, 43% more than the 31,462 inspections made in 1979 and 1980.
- Completed or in process of completing Inspector General audits of 13 of the 25 largest royalty payers and four of the medium-size royalty payers.
- Signed cooperative audit agreements with eight States, resulting in those States receiving over $10.8 million as their share of underpayments discovered by the audits.
- Increased revenues from simultaneous oil and gas filing fees from $43.8 million in fiscal year 1981 to $99.8 million in fiscal year 1982 by increasing the fee from $10 to $75. Revenues from oil and gas filing fees are expected to be $187.5 million in fiscal year 1983, the first full year that the $75 fee will be in effect.

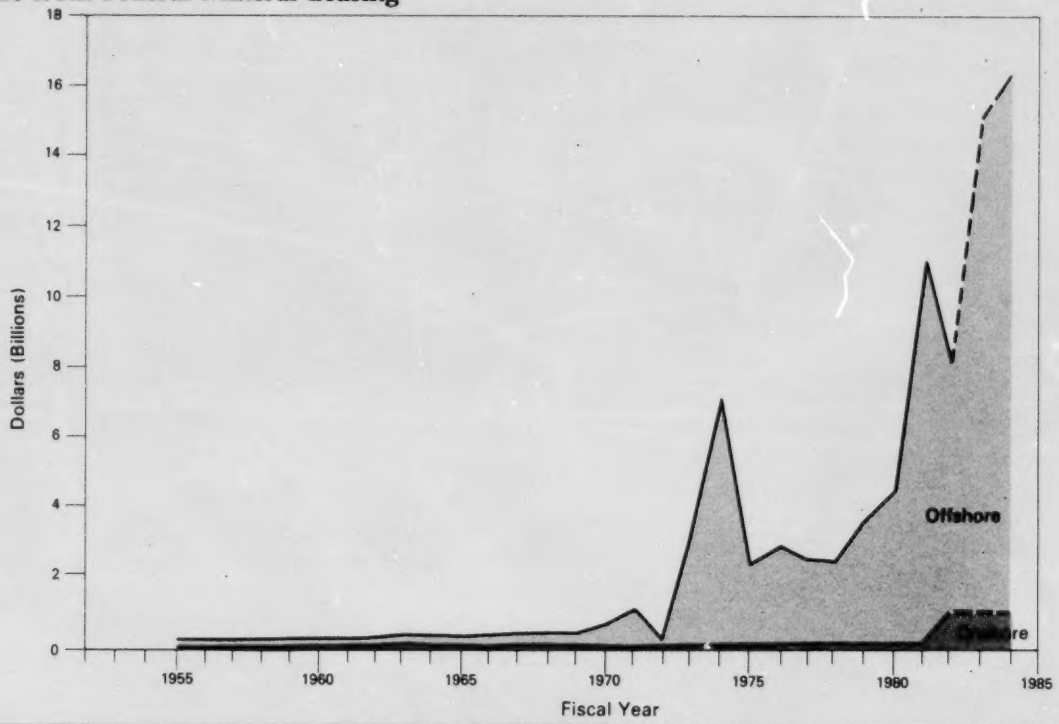
Spending Versus Income



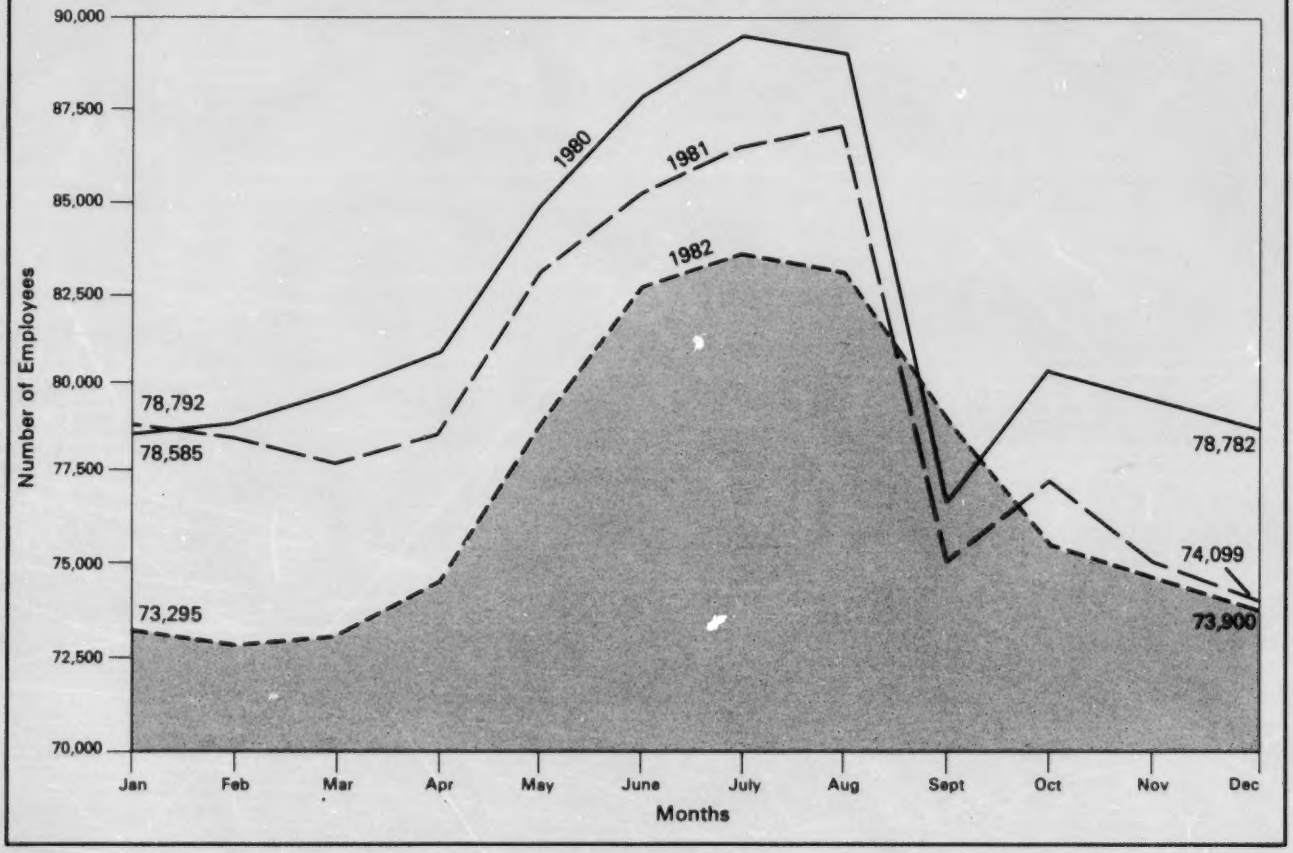
Revenue Generated from Oil and Gas Filing Fees



Revenue from Federal Mineral Leasing



U.S. Department of the Interior Total Employment



1982

Department of the Interior Officials

Office of the Secretary

Secretary	James G. Watt
Under Secretary	Donald Paul Hodel*
Executive Assistant to the Secretary	Stephen P. Shipley
Assistant to the Secretary for Congressional and Legislative Affairs	Stanley W. Hulett
Assistant to the Secretary for Public Affairs	Douglas Baldwin
Assistant to the Secretary	Emily S. DeRocco
Deputy Under Secretary	William P. Horn
Western Representative	Derrell P. Thompson
Alaska Representative	Vernon R. Wiggins
Director, Office for Equal Opportunity	Edward E. Shelton
Director, Office of Small and Disadvantaged Business Utilization	Charlotte Brooks Spann
Director, Office of Youth Programs	John L. Fulbright, Jr.
Director, Office of Hearings and Appeals	John N. Stafford

Office of the Solicitor

Solicitor	William H. Coldiron
Deputy Solicitor	Moody R. Tidwell, III
Associate Solicitor, Audit and Inspection	Maurice O. Ellsworth
Associate Solicitor, General Law	William H. Satterfield
Associate Solicitor, Conservation and Wildlife	J. Roy Spradley, Jr.
Associate Solicitor, Energy and Resources	Alexander H. Good
Associate Solicitor, Indian Affairs	Lawrence J. Jensen
Associate Solicitor, Surface Mining	Donald R. Tindal

Office of the Inspector General

Inspector General	Richard Mulberry

Office of the Assistant Secretary for Energy and Minerals

Assistant Secretary	Daniel N. Miller, Jr.
Deputy Assistant Secretary	William P. Pendley
Director, U.S. Geological Survey	Dallas L. Peck
Deputy Director, U.S. Geological Survey	Doyle G. Frederick
Director, Bureau of Mines	Robert C. Horton
Deputy Director, Bureau of Mines	James F. McAvoy
Director, Office of Surface Mining	James R. Harris
Deputy Director, Office of Surface Mining	J. Steven Griles
Director, Minerals Management Service	Harold R. Doley
Deputy Director, Minerals Management Service	David C. Russell

Office of the Assistant Secretary for Fish and Wildlife and Parks

Assistant Secretary	G. Ray Arnett
Deputy Assistant Secretary	J. Craig Potter
Director, U.S. Fish and Wildlife Service	Robert A. Jantzen
Deputy Director, U.S. Fish and Wildlife Service	F. Eugene Hester
Director, National Park Service	Russell E. Dickenson
Deputy Director, National Park Service	Mary Lou Grier
Deputy Director, National Park Service	Ira J. Hutchison

Office of the Assistant Secretary for Indian Affairs

Assistant Secretary	Kenneth L. Smith
Deputy Assistant Secretary	John W. Fritz
Deputy Assistant Secretary	Roy H. Sampsel

Office of the Assistant Secretary for Land and Water Resources

Assistant Secretary	Garrey E. Carruthers
Deputy Assistant Secretary	Frank A. DuBois
Deputy Assistant Secretary	David G. Houston
Director, Bureau of Land Management	Robert F. Burford
Associate Director, Bureau of Land Management	James M. Parker
Commissioner, Bureau of Reclamation	Robert N. Broadbent
Director, Office of Water Policy	Thomas G. Bahr

Office of the Assistant Secretary for Policy, Budget and Administration

Assistant Secretary	J. Robinson West
Deputy Assistant Secretary	Richard R. Hite
Deputy Assistant Secretary	William D. Bettenberg

Office of the Assistant Secretary for Territorial and International Affairs

Assistant Secretary	Pedro A. Sanjuan
Deputy Assistant Secretary	Diane K. Morales

*Named Secretary of Energy on November 5, 1982.